The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Tokyo Withdraws "Hands-Off" Note--- Regarded as "Irreparable Blunder"

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Prof. Irving Babbitt and China . . . . . By Chien-chao Fei

SATURDAY, MAY 5, 1934 VOLUME 68, NUMBER 10
FORTY CENTS A COPY

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Formerly Millard's Review

中華郵政特准掛號認爲登字之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 68 | Shanghai, China, Saturday, May 5, 1934 | Number 10

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

SO TOKYO ACCUSES NANKING OFFICIALS OF GRAFT!

THE bulletin issued by the Japanese Intelligence bureau connected with their military headquarters in Tientsin on April 26 contained a report and considerable moralizing regarding a grafting Chinese official who formerly held office in the public safely bureau in that city. According to the allegation the police official, Wang I-ming, was jailed about a year ago on five charges of "squeeze." He was said to have blackmailed one man for $10,000; had extorted several thousands more from another man accused of kidnapping; had seized the loot of 21 bandits and deposited same to his private accounte in a bank; had made an illegal profit of $50,000 by requiring everybody to purchase new house number-plates upon which he had made a profit of $1 each, and finally, after his arrest and conviction had offered a $200,000 cash bribe for his release from prison—which offer apparently was not successful in effecting his release for Wang is still in jail serving a nine-year term. After repeating these sordid details the editor of the Japanese military bulletin then went on to say that "there is doubtless not a single Chinese official who is untainted and much of the disunity and turmoil prevailing in this country is due to corruption on the part of officials . . . .if the Chinese had the same brains as the Japanese regarding the absorption of western civilization, conditions in China might have been different . . . "

We do not quite get the Japanese editor's point in his reference to official graft and the absorption of western civilization and also we have no desire to condone corruption on this side of the Yellow Sea . . . .But, in view of recent disclosures regarding graft in high places in Japan, one would think the Japanese would tread rather lightly on the subject of Chinese corruption. For example, three cabinet officials have been forced to resign from office in the Tokyo government in the past two years because of graft charges, one case involving bribery to the extent of more than $3,000,000. Then there were the charges of Kadzumi Okamoto in the recent session of the Diet that certain cabinet officers had bribed 137 members of the parliament and the later disclosures that Okamoto himself

had gone to Mukden immediately after the Japanese occupation, had stolen the title deeds to consiberable land formerly belonging to Chinese officials and later had mortgaged the land to Japanese banks for about ten times its value. We realize of course that the Japanese military people have been charging civilian officials with graft as a means of paving the way for a military dictatorship, but reports in the Japanese newspapers have indicated that the militarists themselves are not entirely blameless, for example there was the officer arrested on the Korean border with some $30,000 worth of diamonds and jewelry in his possession which he had looted from Chinese homes while on "anti-bandit" expeditions. Then there were the disclosures in the Ministry of Education showing widespread corruption where under-paid teachers had been compelled to bribe higher-ups for promotions throughout the country. As a matter of fact a Japanese newspaperman friend of ours told us sometime ago that the present Japanese government probably was the "most corrupt in the world."

Yes, unfortunately, there is altogether too much graft in official life in China, but in view of prevailing conditions in Japan, one would imagine that the Japanese would keep quiet about conditions on this side, otherwise someone is certain to bring up the old saying about the pot and the kettle or the old Biblical quotation about casting the first stone!

JAPAN'S MOTOR INDUSTRY AND THE CHINA MARKET

SEVERAL years ago the Japanese government adopted the far-sighted plan of encouraging the large American motor manufacturing concerns, among them Ford, to establish assembly plants in Japan. Now, as a result of the experience in technical training acquired as a result of the operation of branch plants in Japan, we read reports regarding the development of an independent motor manufacturing industry in the island empire. As a matter of fact they seem to be overdoing it for an article in a recent issue of the *Japan Times* told of some six or eight factory promotion schemes which are taking shape. The most important apparently is the Dowa Automobile Industrial Company, a Yen 6,200,000 enterprise which is being financed by the South Manchuria Railway, the Manchukuo government and three or four Japanese industrial concerns connected with the Mitsubisi banking interests. This firm will enjoy special priviliges and according to the report hopes to turn out some 1,500 trucks the first year. In addition there are several other concerns which either are entering the business or expanding operations of plants already in existence. The small motor-truck manufacturing business which has been in existence in Japan for several years has been heavily subsidized by the government and has been an expensive experiment, hence it remains to be seen whether the new industry will be any more successful. The probabilities are that the costs per unit will continue to be far above that of imported cars and trucks, but the Japanese military interests apparently are determined to have an independent industry, regardless of cost, hence the present drive.

The subject is of special interest in China because the Japanese industrialists naturally have their eyes fixed on this market as a field for exploitation. The market for motor cars and trucks in Japan is limited, but in China it is practically unlimited due to the size of the country and the lack of other modern means of transportation. As the situation stands today practically all of the American motor cars and trucks supplied to Manchuria are assembled in the branch plants of Ford and General Motors at Yokohama and Osaka, but while this provides employment for thousands of Japanese laborers the Japanese militarists are not happy and want their own factories—and they probably will have them regardless of the cost. The point in this is that China should be paying some attention to what is going on and should be taking steps to develop her own motor industry, particularly in view of the fact that the large market of the future is to be in this country. The natural way to do this would be to encourage the large American manufacturers to establish branch assembly plants in this country as Japan did several years ago, as Russia did and as most other countries have done. It is only in this manner that China can lay the foundation for her own motor industry of the future, for any scheme involving the establishment of new independent factories would be losing propositions from the start, owing to the inability to compete with foreign industry. But by encouraging the establishment of assembly plants, China would have the benefit of foreign experience and capital in the training of her own engineers and labor in this essential industry.

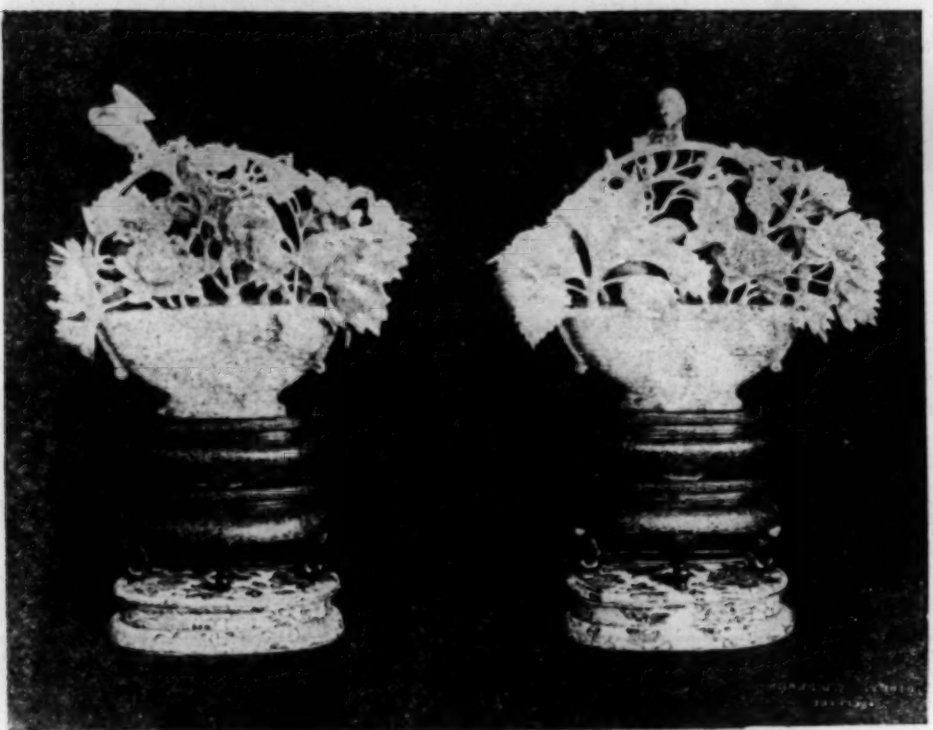
Methodist Bishop Acquitted; Catholic Priest as a Silverite

For failing to heed the Pauline injunction that one should avoid even the appearance of evil two prominent gentlemen of the cloth in the United States found themselves prominently mentioned in the news dispatches during the week, and as one was a prominent Roman Catholic priest, and the other a Methodist bishop, honors, such as they were, were about evenly divided. A jury in Washington April 27 acquitted Bishop James Cannon, Jr., D. D., of the Methodist Episcopal Church, South, and his secretary, Miss Ada Burroughs, of charges of conspiring to violate the Corrupt Practices Act. The charges arose out of the 1928 presidential campaign, during which Bishop Cannon—a Southerner and a life-long Democrat—led a strenuous and effective campaign against the Democratic nominee, Alfred E. Smith. There also were allegations that the Bishop had used political campaign contributions in Wall Street speculations.

It was announced in Detroit April 28 that the Radio League of the Little Flower, a Catholic organization of which Father Charles E. Coughlin, Detroit priest and world monetary authority is the leader, owns 500,000 ounces of silver. The announcement was made by Miss Amy Collins, secretary-treasurer of the organization, in a special copyright statement to the press. She said that this silver was listed in the report of the Treasury Department on silver holders under the name of A. Collins, of Royal Oak, Michigan. In a similar statement Father Coughlin defended his purchases of the white metal, declaring that they were a simple investment, In still another statement, Father Coughlin assailed Henry Morgenthau, Secretary of the Treasury, and denounced the Treasury Department's silver investigation. Newspapers throughout the United States gave the announcement tremendous publicity owing to the fact that Father Coughlin is one of the best-known radio-speakers in the country.

China's Fight Against Japanese Aggression Extends Even to the Chicago Exposition

THE action of the Nanking Executive Yuan on April 26 in approving an appropriation of $40,000 coving the cost of China's participation in the Chicago Exposition again this year was inspired, according to reports from Nanking by a mixed desire to promote Chinese products and also to block further Japanese efforts to spread propaganda about the puppet state of Manchukuo. Ziang-liang Chang, former attache at the Chinese Legation at Washington and consul-general at New York will again have charge of the Chinese section at the Exposition but the exhibit this year will be more "commercial" in character and will be devoted largely to the actual promotion of the sales of Chinese products. However, the art element will not be overlooked as the illustrations on these pages indicate. The famous Jade Pagoda which was seen by more than 250,000 people in the first few weeks of the exhibit last year, will again be on display and in addition the jade section will be enlarged by two pairs of priceless jade flower baskets which were carved in Peiping. Also, there will be several jade figures of the goddess of mercy, Kuan Yin, two of them being practically a foot in height.



China sends priceless pieces of jade carving to Chicago Exhibit this year. Above are two carved flower baskets 7-in. wide and 4-in. high which were carved in Peiping. Also two suspended jade flower baskets, which together with the chains were carved from a single block of soft green jade. They are the property of Zung Chang Ziang, Shanghai.

With reference to the element of combatting Japanese propaganda pertaining to the puppet state of Manchukuo, Mr. Chang, director of the Chinese display stated that Japanese violation of treaties and agreements extended even to the exposition itself. Since Manchukuo is not recognized by the United States, the Japanese were unable to establish a "Manchukuo" exhibit at the fair and also, in common with other exhibitors, were compelled to sign an agreement not to use their position at the Exposition for the purpose of conducting political propaganda. However, according to members of the Chinese delegation the Japanese violated the agreement and actually engaged an itinerant American newspaperman and lecturer who de-

livered pro-Manchukuo speeches. The speeches were delivered in connection with an exhibition of the South Manchuria Railway which was given credit for encouraging the migration of 20,000,000 Chinese peasants from Shantung and Hopei provinces to Manchuria, "who later declared their independence of China and established an independent state which is now headed by Emperor Pu Yi former Manchu ruler in Peiping." The S.M.R. exhibit was accompanied by illustrated lantern-slide pictures showing Japanese activities in China's northeastern provinces. The Chinese finally succeeded in bringing the matter of Japan's violation of her agreement not to conduct political propaganda to the attention of Rufus C. Dawes, president of the Fair and as a result the Japanese lectures were discontinued.

China's decision to again participate in the Chicago Exposition this year and the further decision to make the showing of Chinese products more "commercial" was indicated in a letter which Dr. Lo Wen-kan former Foreign Minister, wrote to Nelson T. Johnson, American Minister on March 23 last. Dr. Lo's letter stated that the National Government had decided to make a change in the method of participation in the Exposition this year with the result that a number of Chinese merchants had organized an association of exhibitors with the object of cooperating in the enterprise. It was also reported that the U. S. customs authorities had made a ruling that merchandise sent to the Fair would be admitted under a bonding arrangement which would permit commercial sales under a plan whereby duties on the articles would be paid monthly, after actual sales had been made.

The success achieved by the Exposition last year was responsible for the decision to continue the fair through the present year. According to a statement by Rufus C. Dawes, president of the Exposition, the management has already sold 1,750,000 advance admissions for this year and according to his statement the advance sale is expected to exceed 5,000,000, thus assuring the success of the enterprise this season. According to a report in the *Chicago Tribune* on March 29 the U. S. Federal Government has decided to continue participation in the Fair and has appropriated the sum of $405,000 to enable the Government to continue its participation this year. This was done upon the direct recommendation of President Roosevelt, who, according to the report felt that a continuance of the Fair would assist materially in the general economic recovery program. At a meeting of members of the Chicago Association of Commerce, 500 of the leading businessmen of the city voted to give the project continued support this year.

Ziang-liang Chang, who has charge of the Chinese exhibit, has had extensive experience as China's representative at international expositions and conferences. He was commissioner-general for China at the Sesqui-Centennial International Exposition at Philadelphia in 1926, was Chinese delegate to the Amsterdam Conference of International Chambers of Commerce in Holland in 1929, delegate to the International Lador Conference at Genava in 1931. In addition he has director of intelligence and publicity of the Foreign ence at Genava in 1931. In addition he was director of the general affairs department of the Chinese Assessor attached to the Lytton Commission in 1932. Mr. Chang is 42 years of age and is a native of Shanghai.

Portrait of President Franklin D. Roosevelt embroidered in silk which was exhibited at the Century of Progress Exposition at Chicago last year and after the close of the show last fall was presented to the President by Dr. Sao-ke Alfred Sze (left) and Ziang-liang Chang. The above is a reproduction of the portrait with the Chinese Minister and director of the Chinese exhibit standing in the doorway of the Chinese Legation at Washington. The portrait of President Roosevelt was reproduced from a color-roto picture of the President which appeared originally in the Sunday Chicago Tribune. It was embroidered in Hunan province.

Tokyo Withdraws Note Which Now Regarded as "Irreparable Blunder"

JAPAN'S widely-heralded "Asiatic Monroe Doctrine" has been withdrawn. Announced from the Foreign Office on April 17 it stood the test of Chinese and world opposition and ridicule for exactly ten days and was withdrawn on April 27. The original declaration, advertised as the culmination of three years of Japanese military effort to establish Japan's hegemony in Asia, was made in unofficial manner through the spokesman of the Foreign Office. The withdrawal of the announcement was both official and formal and was made by Koki Hirota, Foreign Minister himself, in a statement to the foreign diplomats in Tokyo on April 28. He asked them to regard the statement as "officially non-existent."

UNLIMITED EMPIRE

Moscow Daily News, March 20.

Emperor Pu Yi: **What are the borders of my empire?**

Japanese Teacher: **I don't know. I haven't read the Tokyo papers today.**

To state that Japan's declaration of policy was the culminating and worst of her long series of diplomatic blunders since 1931 in but to express an obvious fact which has been echoed around the world by newspapers and foreign office statements since April 17. But we do not have to rely upon foreign opinion which might be prejudiced. Here is what an outstanding Japanese publicist, none other than K. K. Kawakami, staff correspondent in Washington for the *Osaka Mainichi* and Tokyo *Nichi-Nichi* had to say about it in a dispath to his newspapers on April 19:

Washington, Apr. 19.—The abrupt publishing of a re-statement and clarification of Japan's China policy by the Japanese Foreign Office spokesman has surprised official circles in Washington, and puzzled general observers.

The document is generally thought too crude and clumsy, requiring further clarification. The American people, and even the Washington Government, would not object to the establishment of a Japanese Monroe doctrine, but are extremely sensitive to the closing of the commercial open door in China, for the document is not clear on this important point.

If Japan's objective is to discourage China's civil strife by stopping the importation of foreign war materials, the Washington Government would probably favor reviving the general arms embargo agreement, which bound all Powers interested in China from 1917 to 1929.

The document of the Japanese Foreign Office spokesman is not clear on whether Japan intends to forbid the importation of American and European arms while Japan is free to sell arms to China. The document is considered here a trial ballon to find out how foreign opinion would react to a Japanese Monroe doctrine.

The reaction so far is quite unsympathetic; largely because Americans think that Japan is bent upon closing the open door and destroying equal trade opportunity, and also because the Japanese policy is inadequately expressed by the Gaimusho spokesman, and seems to be an imitation of America's old Monroe doctrine, which was disclaimed by President Roosevelt in his speech at the Woodrow Wilson Foundation dinner last December, and by Secretary of State Hull at the last Pan-American conference at Montevideo.

Both President Roosevelt and Secretary of State Hull renounced America's right of intervention and declared that "the maintenance of peace in this hemisphere is not the right or the duty of us alone, but of all American nations in cooperation."

An American publicist said to me, "Japan seems to be doing the right thing in a wrong way. Few Americans would object to Japan's declaring its Monroe doctrine in a proper way. It would have been for the Premier or the Foreign Minister to proclaim such a doctrine in the Diet in clear and dignified language, as President Monroe declared the American doctrine, and then let the Foreign Office issue a clarifying statement, citing special examples of foreign infringement upon that doctrine as regards China.

"The document issued by the spokesman is not felicitous in diction and its reasoning is faulty. The document causes irremedial damage. The Japanese Government may say that the document is unofficial, but nobody believes that such an important statement could be made without the approval of the Japanese Cabinet."

Further evidence of Japanese realization of their "irreparable blunder" is to be found in reports appearing in the Japanese newspapers since the fateful announcement of April 17. The New York correspondent of the *Osaka Mainichi* sent his paper a dispatch which was published on April 22 wherein it was admitted that the Tokyo declaration had created a general "anti-Nippon atmosphere

throughout America," even causing Masao Matsukata, prominent Japanese industrial magnate who happened to be visiting in New York, to hurry to Washington in order to contribute his part in "smoothing over the situation and trying to create an understanding of Japan's real objectives." The dispatch stated, "The stone thrown by Japan has created a worldwide wave of reaction . . . reports that continue to reach New York from all capitals deal with the question with utmost seriousness, London and Geneva leading the attack on Japan . . . . there is an indication that Great Britain is fanning the flame of American action on the question, stating it is for the United States to move, as Great Britain is busy with European issues . . . . there are strong indications in official circles that the United States will not permit Japan, without a protest, to make further encroachment on the Open Door policy or the Nine-Power Treaty obligations . . . ."

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Next in public interest to the dispatches sent to their papers by the Japanese correspondents stationed in American and European capitals have been the reports in the Japanese newspapers hinting at the real responsibility for the momentous announcement and the curious method which the Tokyo Foreign Office spokesman used in making it public. Reports published in the *Japan Advertiser* on April 25 and the *Tokyo Nichi-Nichi* on the following day tend to place the blame on Eiji Amo, chief of the information bureau of the Foreign Office. The foreign office correspondent of the *Osaka Mainichi* declared on April 26 that "regardless of the unfavorable reaction the foreign office is not inclined to take the echoes seriously . . . . nor will it take the initiative in making a contradiction or an apology in the future . . . . although the government does not see wherein the remarks should give rise to suspicions abroad concerning Japan's China policy, however, the Foreign Minister thought it wise to clarify the stand once more in view of the ultra-sensitiveness of the Powers toward Japan's Far Eastern policy." Then followed a statement that the Imperial Government really had no intention of following a policy of exclusion that would conflict with the Powers' Open Door and Equal Opportunity principles in China . . . . On the contrary, so long as the Powers continue their cultural and social welfare work on the strength of the Boxer Indemnities, Japan will continue to welcome such endeavors . . . . Japan is likewise prepared to cooperate with all who desire to develop China through proper channels . . . . under the circumstances the statement of April 17 should be judged without animus." According to the report in the *Advertiser* on April 25 Foreign Minister Koki Hirota told the Cabinet that "he personally had not intended to publish the 'unofficial' statement on Japan's policy . . . . but now that it had been published, he would on his own responsibility attempt to clear up the misunderstanding regarding it in foreign countries and try to dispel the adverse sentiment that it had aroused." Hirota also told the Cabinet that he "did not anticipate any trouble with China in consequence of the statement."

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But Hirota's self-assurance that the statement would not have any adverse effect in China was not shared by the *Rengo* correspondent in Shanghai who wired the Japanese newspapers on April 19 that the Tokyo foreign office statement "had stirred up the Chinese press and public opinion and created the impression that the Japanese had seriously mpaired the prestige of China as an independent nd sovereign state . . . . and worse had disappointed and discouraged Gen. Huang Fu, who is now inclined to give up hope of saving the situation by a solution of the situation in north China by adjusting outstanding issues between China and Japan."

The suggestion that the Tokyo declaration had the effect of undoing much of not all of Japan's recent attempts to patch up her complications with China (while maintaining control of Manchuria), also has been responsible for reports that the inspiration for Japan's now abortive "Monroe Doctrine" may actually have originated in China. According to one report the general outline of the Tokyo declaration was actually written by a Japanese diplomat in Nanking who previously had shown it to certain Chinese officials and obtained their nominal consent. For a long time reports have been in circulation that Japanese military spokesmen and diplomats who are closely associated with them have been trying to exploit Japan's complications with the Occidental Powers by telling the Chinese that in the event of a war in which Japan might be defeated that China would be the chief sufferer—hence it was incombent on China to associate herself with Japan in the protection of their mutual interests in the Far East. In other words the Japanese have been telling the Chinese that the so-called "crisis of 1935-1936" did not affect Japan alone, but both Japan and China, hence China should forget her animosities against Japan and enter into a close military and economic alliance against the American and European "barbarians" and drive them out of Asia. In view of what Japan has been doing in Manchuria in the past three years it is difficult to imagine any Chinese official of even sub-normal intelligence paying serious heed to such Japanese propaganda, but despite this there have been rumors in circulation that certain Chinese officials had been led to believe that in the event of a war between Japan and some Occidental Power in which Japan would be defeated the ultimate result would be to open China up again to European aggression somewhat as occurred in the early part of the last century. Although it is difficult for the average westerner to conceive of any intelligent Chinese swallowing this Japanese propaganda, it has been reported that some have, hence this would tend to give credence to the reports that the Japanese had been led to believe that China might agree to the Japanese declaration of overlordship.

Another element which may have had a bearing on the situation was suggested in the publication *Contemporary Opinions on Japanese Topics*, published by the so-called Tokyo Information Bureau. This publication which consists of translations from current Japanese magazines, contained a disclosure on April 24 regarding the use of "secret funds" by the Japanese War, Navy and Foreign Offices in connection with their activities in China. Quoting from a Japanese magazine known as the *Kaibo Jidai* it was shown that these three department of the Japanese government have received the total sum of Yen 9,128,300 in the form of "secret funds" for use in China in connection with the Manchurian affair. To put it in plain and unvarnished terms this considerable sum of money equivalent to more than U. S. $3,000,000 is being used in China for purposes of intrigue and bribery of Chinese officialdom. It is not uncommon in Tokyo, particularly in military circles to hear Japanese officers boast of their bribery of Chinese generals, one Japanese military officer once going so far as to state that the war office maintains a list of quotations on the current "price" of Chinese military officers, particularly those of the older types in North China. An example of this type of Japanese intrigue was shown in the recent activities of the renegade Gen. Liu Kwei-tang, who organized an independent force in western Shantung early in 1932 and marched north with the announced intention of fighting the Japanese. But after reaching Jehol, Liu, instead of fighting the Japanese, joined them and helped in driving Marshal Feng Yu-hsiang and his associates of the Kuominchun army out of Chahar province. Then, after the signing of the Tangku Truce on May 31, 1932, bandit Liu Kwei-tang marched his force consisting of some 1,000 cavalry southward from Chahar through Hopei province into western Shantung and northestern Honan where he harassed the towns and villages, burning and looting all places which refused to pay tribute. It is now generally known that bandit Liu received his finances and munitions from Japanese sources and that the Chinese military commanders in the Peiping district connived at his march through their area into Shantung. The chief Japanese object was to harass Gen. Han Fu-chu, controller of the Shantung provincial government, who is not friendly to the Japanese and who is opposed to their control of north China. Also, it is needless to state that bandit Liu has not been alone in this activity. This has been a familiar form of Japanese seditious activity in China for many years, the Japanese motive being to keep the country in confusion and thereby prevent unification. Since 1931 the object has been to break down Chinese authority in north China and pave the way for the creation of a regime in that area that would be more favorable to recognition of the puppet state of Manchukuo, not overlooking the possibility of even setting up the puppet "emperor" Pu Yi on the ancient Dragon Throne in the old capital at Peiping. The connection, if any, of Gen. Huang Fu head of the Peiping political readjustment committee with these Japanese activities naturally is not known, but there have reports from Canton recently charging him with a full knowledge, if not actual connivance, with the Japanese intrigue, his alleged ambition being to use Japanese support in the creation of an independent regime in north China with himself at the head of the administration.

American animosities over the Japanese declaration were concerned not only with the contents of the Japanese statement but also with the methods which the Japanese used in making the announcement public. A Washington dispatch in the *Japan Advertiser* on April 26 stated that considerable annoyance was felt in official circles at the manner in which the Tokyo foreign office had given worldwide publicity to its pronouncements by means of statements to the press, although the issues involved were the most important developments in the Far East since the Japanese presentation of the Twenty-One Demands in 1915. On the following day, Ambassador Joseph G. Grew called upon Koki Hirota, Foreign Minister, and requested an official translation of the Japanese pronouncement, but according to the account in the *Advertiser* Mr. Grew was not successful in obtaining an official translation of the document, the Japanese officials claiming it was "nothing more than an informal verbal utterance." However, the foreign newspaper correspondents in Tokyo apparently were more successful for as a result of their continued questioning, the foreign office issued through *Rengo* a version which they termed "official," a copy of which appeared in *The Review* (Page 322) last week. The methods followed by the Tokyo foreign office amplifying the offending pronouncement of April 17 were also regarded as highly unsatisfactory according to reports in the newspapers. The New York *Herald-Tribune* on April 25 in commenting on this phase of the situation said, "The more the Japanese say about their policy the bolder and more presumptious, the less courageous and honest seems their presentation of them . . . the people of the United States are entitled to ask why Japan, which violates treaties at home, lacks the resolution to denounce them abroad and resorts to hypocrisy, incorrectly calling its policy a Monroe Doctrine for Asia." Reports in the Japanese newspapers on April 26 indicated an equal indefiniteness in the foreign office's explanation of the term "East Asia" which was used by Japanese Consul-General Masayuki Yokoyama at Geneva in his explanation of the scope of the Japanese declaration. He declared that Japan had a "firm determination" to assume responsibility for events in Eastern Asia in close collaboration with the Asiatic Powers, including Japan, China, India, Siam Manchukuo, the Philippines and Asiatic Russia. In an interview with newspaper correspondents on Appril 25 the spokesman of the foreign office, in reply to questions, told the correspondents that the term East Asia "meant different things to different people."

However, the American Ambassador Joseph G. Grew and the British Ambassador Sir Francis Lindley, did succeed in pinning Koki Hirota down to one definite statement when the Japanese Foreign Minister declared flatly on April 27 that the original declaration of April 17 was to be regarded as "officially non-existent." This statement was made at the time Hirota handed to the American and British ambassadors the so-called identic notes in elucidation of the Japanese position. The text, according to *Rengo* was as follows:

> "Japan considers herself a strong stabilizing force in east Asia and, therefore, she feels full responsibility for the maintenance of peace in this part of the world.
>
> "As for China, Japan is firmly convinced that, owing to her geographical propinquity, Japan profits much from the unification and prosperity of China. The Japanese Government has no intention whatever to interfere with the sovereignity and independence of China, her closest neighbor.
>
> "Japan believes, however, that the unification of China must be attained by China's own endeavors and awakening and that such unification must not and cannot be brought about at the risk of exploitation of China by the Powers.
>
> "At the same time Japan desires to make it clear that she has no intention to interfere with the vested rights and interests of the Powers in China. Such being the case, if the Powers interested in China engage in legitimate trade and commerce for the benefit of the Chinese nation, Japan could welcome such economic activities.
>
> "Contrary to various unfounded rumors, Japan has absolutely no wish nor intention to deviate from the principle of open door and equal opportunity in China, but Japan is determined to oppose to any activities of the Powers on whatever pleas or in whatever forms which are likely to disturb peace and order in east Asia.
>
> "As regards Manchukuo, Japan earnestly hopes that the other Powers may come to recognize the legitimate and free activities of that country. Taking this opportunity, Japan would like to make it clear that she has no territorial designs on Manchukuo. With regard to a Japanese Monroe Doctrine in the Far East Japan asserted that the statement in no sense should be understood as implying a Japanese desire to withdraw from the Nine-Power Treaty or to alter that pact in any way.

According to a *United Press* report from Washington which was published in Shanghai on April 27 the representatives of the various Powers signatory to the Nine-Power Treaty conferred with Cordell Hull, Secretary of State, following which Mr. Hull discussed the situation with President Roosevelt. Immruediately following these discussions Mr. Grew received instructions to call upon the Japanese Foreign Minister for an elucidation of the Japanese pronouncement. According to a Washington dispatch through the *United Press* which was published in Shanghai on May 1, Ambassador Grew in his conversation with Koki Hirota on Sunday, April 29 emphasized the fact that there are treaty obligations to be fulfilled by all signatories to the Nine-Power Treaty. The United States Government "is duly considerate of the rights and obligations of other countries, hence expects on the part of other governments, due consideration for the rights and obligations of the legitimate interests of the United States . . . In the opinion of the American people and the American Government, no nation can, without the assent of the other nations concerned, rightfully endeavor to make its will conclusive in situations which involve the rights, obligations and legitimate interests of other sovereign states." The *United Press* message then stated that Secretary of State Hull probably would not follow the course of Sir John Simon, British Foreign Secretary, who had virtually declared the incident "closed." In this connection it was pointed out that Ambassador Grew, in presenting the American statement to the Tokyo foreign office, had merely enunciated the American position, "thus leaving the next move to Japan."

Although the British Ambassader, Sir Francis Lindley, called upon the Japanese Foreign Minister on April 25, or several days prior to the visit of the American Ambassador the official British report of the Lindley-Hirota conversation was not disclosed until April 30 when Sir John Simon, Foreign Minister, made a statement in the House of Commons. According to this statement the British Government had informed the Japanese to the effect that the "principle of equal right in China was guaranteed very explicitly by the Nine-Power Pact to which Japan is a party, and that the British Government must continue to enjoy all rights in China which are common to all signatories except insofar as such rights are restricted by agreement, for example the Consortium agreement, or insofar as Japan had special rights recognized by the other Powers." The British Foreign Minister stated further that Japan's anxiety regarding China as expressed in the Japanese statement, "could not apply to Great British and that, since it was the aim of British policy to avoid dangers to the peace and integrity of China, the British Government could not admit the right of Japan alone to decide whether any particular action, such as the provision of technical and financial assistance, promoted such danger." He stated further that under Articles I and VII of the Nine-Power Pact, Japan had the right to call the attention of the other signatories to any action in China inimical to her security. This right provided Japan with safeguards, hence the British Government assumed that the Japanese statement was not intended to infringe upon the common rights of the other Powers in China or upon Japan's own treaty obligations. In conclusion the British Foreign Minister said that Hirota's reply had indicated that the British Government was correct in its assumption and that the Japanese Government "would observe the provisions of the Nine-Power Pact and that the policy of the British and Japanese Governments coincided," and also that the Japanese Government "attached the greatest importance to the Open Door in China." In reply to a question, Sir John Simon said that he considered the Japanese statements "reasonably clear" hence he was disposed to "leave the matter where it was . . . the British Government was resolved to assist to the utmost extent and in a spirit of international cooperation in China's progress toward peace and prosperity and toward harmony and goodwill in the Far East."

Of direct interest in connection with the references to treaty observance in the Far East was an address delivered in Washington on April 30 by Alexander Troyanowsky, Soviet Ambassador to the United States, who declared that the experiences of the League and Hague Court had shown hopes vested in international jurisdiction are somwhat exaggerated. The basis of every international agreement or regulation, he said, resides within the nations themselves and not in any extra-national force. Only very precise and duly signed international treaties can furnish an acceptable basis for international relations, and consequently for international law. The Soviet Ambassador then hinted that certain powers wanted to dominate and conquer other countries and not cooperate with them. In this connection he quoted a Russian fable about a loquacious cook who reprimanded in a long speech, the cat which had stolen his chicken. The cat listened to the cook's tirade but continued to eat the chicken. In conclusion the Ambassador said, "The question now posed in the international domain, is what is to be done when the cat continues to eat the chicken, or in other words, what are we to do in the matter of sanctions in the domain of international relations?" Owing, apparently, to the belief that Soviet interests were not directly concerned by the Japanese declaration, the Moscow authorities have not had as much to say about the recent developments as they previously did about Japan's aggressive designs in north Manchuria. A *Reuter* report from Moscow on April 26 stated that Soviet officialdom believed the Japanese warning was served for two reasons:

1. In an attempt to break the alleged negotiations between China "and a group of international bankers at present in Nanking," which Japanese militarists consider part of an attempt by the United States and European Powers to create a united front of resistance to Tokyo's Pan-Asiatic policy.

2. Tokyo is trying to force Nanking to discontinue negotiations with American interests concerning aviation construction and consultation.

But while the Japanese have been compelled to admit their "irreparable blunder" it is difficult to find many Chinese who believe that the withdrawal of the offending declaration will be followed by any material changes in Japan's actual policy toward China. On April 29, two days following the withdrawal of the Japanese "hands off" declaration the Tokyo foreign office announced *(United Press)* that a new China policy was being formulated. In connection with this statement Koki Hirota expressed his belief that China "understands Japan's insistence upon the assumption of special responsibilities for the peace of the Far East, but fears Japanese territorial invasion and monopoly of Chinese markets." In view of this situation Hirota thought it advisable to restate Japanese policy toward China. On April 30 the official Japanese *Rengo* service distributed a report of the Shanghai newspapers stating that Japanese diplomacy toward China "from now on would move along more positive lines with the object of solving the important problems now pending between the two countries." It was stated that this decision was reached following a conference between Koki Hirota Foreign Minister and Akira Ariyoshi, Minister to China and Mamori Shigemitsu, Vice-Minister of Foreign Affairs. Hirota declared that the adoption of a more positive policy did not mean that he intended to resort to pressure, but would abide by his new policy of "good-neighborliness." Outstanding problems, according to the *Rengo* message included the restorations of through railway and postal communication between north China and Manchukuo and the Chinese tariff issue. The raising of the Chinese tariff, according to Hirota, had resulted in unprecedented (Japanese) smuggling, thus causing heavy losses to the Chinese treasury, hence the Chinese Government, in his opinion, was contemplating a downward revision of the tariff on Japanese goods. Hirota also forecasted an increase in the activities of the so-called "Chinese Cultural Affairs Bureau" in the Tokyo foreign office, the said bureau being financed from the proceeds of the unexpended portion of the Japanese Boxer indemnity. On May 1 *Rengo* carried a further report from Tokyo which confirmed the feeling in Chinese circles that there had been no essential change in Japanese policy. This report stated that the Japanese foreign office will oppose any action which might tend to prevent the return of normal relations between Japan and China; opposition to "interference" on the part of any third Power or the League of Nations in any Sino-Japanese negotiations; exertion of genuine efforts to bring about the unification of China, combined with a reaffirmation of Japanese policy against territorial aggression in China.

A careful perusal of Japanese editorial comment and statements of Japanese leaders on the matter of Japanese policy toward China lends conviction to the belief that one of the chief motives behind the momentous declaration of April 17 was to sweep away the Nine-Power Treaty in order to pave the way for a Sino-Japanese military and economic alliance that would eliminate American and European interests and commercial activities from the Far East. Evidence of this motive is provided in the fact that while the Japanese were offering strong objection to American and European or League financial activities in China the Japanese themselves were pushing independent plans for extensive financial and economic activities both in north China and at Nanking. For example on March 8 the *Japan Chronicle* (Kobe) published a report of the formation of a so-called "North China Association" which is headed by Kenkichi Yoshizawa, former Minister of Foreign Affairs, which has as its object the following program.

1.—To offer its services towards the promotion of Sino-Japanese economic co-operation and technical collaboration in North China.

2.—To study all problems and matters in which such co-operation and collaboration may profitably be achieved.

3.—The results of this study to be recommended to the Government authorities, or put into execution by the Japanese and Chinese concerned.

4.—The Chinese side to be urged to form an association with identical objects.

5.—The Japanese residents in North China to be helped in their efforts to maintain and develop their economic position, in pursuance of the objects of the Association.

6.—The aims and the spirit of the Association to be made known to all circles.

A further report dealing with the object of this organization was contained in a *Rengo* dispatch from Tokyo on April 20, stating that Kakusaburo Suzuki, president of the union of Japanese chambers of commerce in north China had proposed four Japanese projects in north China which were concerned with finance and railway transportation. In addition to the foregoing the *Ta Wen Pao*, a leading Chinese paper in Peiping stated that the new Japanese organization had petitioned the Tokyo foreign offiffice to adopt a stronger policy toward north China, including the following suggestions.

1.—That an independent political bloc should be organized in North China, which should include Hopei, Shansi, Shantung, Suiyuan, Chahar and Inner Mongolia.

2.—That all Kuomintang organizations in North China should be compelled to suspend their activities.

3.—That all outstanding problems between China and Japan should be taken up with the new government after it is established in North China.

4.—That an economic and military alliance should be concluded between North China, Manchukuo and Japan.

The connection of Gen. Huang Fu, head of the Peiping Political Readjustment Committee, with these Japanese schemes is not known but the Japanese newspapers unanimously credited him with full support of the Japanese program. The staff correspondent of the *Osaka Mainichi* at Peiping on April 19 sent a dispatch to his paper declaring, "Gen. Huang Fu of the Peiping Political Council,, who is ready to solve the various questions of north China, is anxious to bring about the economic rehabilitation of north China by obtaining Japanese investments. He has already taken in hand the mapping out of the plan.... It is understood that besides proposing the settlement of the through railway and mail traffic questions at Shanhaikwan... Mr. Huang suggested the plan of obtaining Japanese investments for the economic and industrial development of north China at the recent Nanchang conference with Gen. Chiang Kai-shek and Wang Ching-wei... Mr. Huang plans to first rehabilitate the farm villages with Japanese capital and the Peiping authorities are now drafting plans for the construction of motor roads and cultivation of cotton in the demilitarized zone..." In addition to these reports in the Japanese newspapers regarding Sino-Japanese cooperative schemes in north China which undoubtedly were known to Gen. Huang Fu, the *Shanghai Evening Post* on April 21 published a letter from an apparently well informed Chinese correspondent, Wong Ching-Sung, who stated that the Japanese had proposed the opening of direct negotiations with China for the purpose of considering the following issues:

1.—That North-Eastern troops shall be withdrawn to the south of the Yellow River.

2. Peiping and Tientsin shall be garrisoned by some new troops the strength of which shall not exceed what is necessary for the maintenance of peace and order.

3. China shall facilitate the matters of the postal and through railway services between China and "Manchukuo," the establishment of customs offices along the Great Wall passes and the planned communications in "Manchukuo."

4. Japan is to assist China and "Manchukuo" in completing the railway from Chengte to Peiping.

5. Japan may increase the strength of her garrisons in Peiping and Tientsin. In the meantime, Japan was most active in making military arrangements for the occupation of Chahar and the area of Peiping and Tientsin.

The *Daily Herald*, London Labor party organ, on April 28 published a report that Japan now intends to press China for the opening of direct negotiations with the object of settling the following points:

1—Recognition of Manchukuo.

2—Acknowledgement of Japan's "special interests" in north China, especially in the Peiping area.

3—An undertaking by China not to conclude any foreign loans without Japan's approval.

4—An undertaking by China to accept Japanese assistance and cooperation in China's political and economic reconstruction.

5—An undertaking by China not to invite any foreign advisers, excepting Japanese, for China's army, navy and airforce.

The report in the *London Herald* alleged that the foregoing matters had been discussed by Koki Hirota, Japanese Foreign Minister, with Gen. Chiang Tso-ping, Chinese Minister in Tokyo and had been forwarded by him to the Nanking foreign office. The *Tokyo Asahi*, which is supposed to be especially well informed on the policies of the Saito Cabinet, published a long review of Japanese policy in its issue of April 19, the sense of which was that Japan placed strong dependence upon the ability of Gen. Huang Fu to bring about a reorientation of Chinese policy toward Japan. There then followed a general statement of Japan's intentions to follow an independent course in China and to take steps to prevent any Occidental activities in China which Japan regarded as inimical to her interests.

General von Seeckt Visits General Chiang Kai-shek at Nanchang

General Hans Von Seeckt, German war veteran and military organizer, arrived at Nanking from Shanghai April 19 accompanied by his wife. He paid a visit to General Chiang-kai-shek at Nanchang April 25, taking the trip on the Chinese gunboat *Yungsui*. Gen. Von Seeckt succeeds Gen. Wetzel, another German military adviser, who is returning to Germany on leave. Gen. Von Seeckt will be at the head of the various German military advisers now connected with the Chinese army. General Von Seeckt has been invited to become a military adviser of the Military Affairs Commission.

China Declares Oppostion to International Control or Domination by Any Country

HIGH-LIGHTS IN THE EVENTS OF THE WEEK:

1. *Nanking Further Clarifies China's Stand Vis-a-vis Japan's "Hands-Off-China" Declaration.*
2. *Nanking and Kwangtung Forces Score Victories over Reds.*
3. *Japanese Activities in Fukien Arouse Concern.*
4. *Panchen Lama Holds National Prayer Meeting at Hangchow.*
5. *International Intrigues in Sinkiang.*
6. *Nanking Enjoins Military Training for Students.*

Declaring that China's opposition to any form of international control is just as strong as her aversion to the domination by any one country, a spokesman of the Ministry of Foreign Affairs reiterated that the sovereignty and the independent character of the Chinese Republic does not permit of any infringement by any nation upon whatever pretense, in a statement issued through the *Kuo Min News Agency* April 26.

The statement was issued following explanations to the Chinese authorities offered on April 24 by Japanese diplomatic representatives in China purporting to elucidate the various points raised in the Japanese Foreign Office statement issued on April 17.

Commenting on the explanations, a spokesman of the Chinese Foreign Ministry pointed out that despite these so-called explanations, the Japanese Authorities have not in any way and upon any occasion repudiated that statement. It follows, therefore, that the Japanese Government remains wholly responsible for the same utterance.

As regards the attitude of the Chinese Government it was already stated in the statement issued by a spokesman of this Ministry on April 19, the Foreign Ministry spokesman further declared. Now it is only necessary to add that the sovereignty and the independent character of the Chinese Republic does not permit of any infringement by any nation upon whatever pretense. Her relations with other countries and with the League of Nations have always been legitimate and aimed at the promotion of her internal development and external security. This too, therefore, does not permit of any interference by any nation upon whatever pretense. The spokesman further declared that China's opposition to any from of international control either by the League of Nations or by the Powers, is just as strong as her aversion to the domination by any one country. The reasons are too manifest to require elaboration.

Moreover, the technical co-operation between China and the League began before Japan's announcement of her intention to secede from that body. The Chinese policy of international co-operation, therefore, had already received Japan's endorsement, not to say that she still is, legally speaking, a member of the League.

With regard to the Japanese hope that China would carry out the principle of equal opportunity and the Open Door Policy, the Foreign Ministry spokesman stated that China, in her economic and commercial relations with the foreign powers, has never had the intention of discriminating against any one country.

In short, internally China at the present moment is concentrating all her efforts on the eradication of Communism and productive rehabilitation. Externally, she is striving for the maintenance of international treaties, such as the Nine Power Treaty and the Covenant of the League of Nations. While the execution of her internal program does not permit of any outside interference, the realization of her foreign policy depends, in a large measure, upon the co-operation of all countries concerned. In this connection, it is to be earnestly hoped that the nations of the world will join in support of the inviolability of international law and the sanctity of international agreements.

Insofar Japan's "hands off China" warning to the Powers was informally uttered, the Chinese Government would not issue any formal statement of refutation, declared Wang Ching-wei, Minister of Foreign Affairs, in a press interview following his arrival at Shanghai from Nanking April 21.

As to China's position vis-a-vis the question of resuming railway and postal communications with the lost territory in the Northeast, Mr. Wang reiterated the assurances given before the Legislative Yuan that no decision has been reached concerning the negotiations.

That signatories of the Nine-Power Treaty should be informed of the threatened violation of the multi-lateral pact and that all China's diplomatic and consular representatives should be instructed actively to work on calling foreign attention to the tension in the Far East were among recommendations the Legislative Yuan has decided to offer to the National Government to meet the fresh crisis, according to Chinese reports from Nanking April 28.

In view of the fact that the new notorious Japanese statement of April 17 constitutes a violation of Articles one and two of the Nine-Power Treaty, which require its signatories to respect China's sovereignty and independence, as well as territorial and administrative integrity, and which also secure to China free and unfettered opportunity for developing and maintaining a strong and sound Government, the Ministry of Foreign Affairs is understood to have telegraphed the Chinese Ministers to America, Great Britain, France, Italy, Belgium, the Netherlands, and Portugal, instructing them to urge the Powers signatory to the Nine-Power Treaty to initiate and enter into discussions for the implementing of the Treaty in accordance with the provisions of Article 7 thereof.

Strong indignation at the pretentions claims made by Japan in her recent "Hands-off-China" statement was expressed at a secret session of the Legislative Yuan held April 27. Members attending the session drew attention to the renewed tension in the Far Eastern situation and the necessity of taking new measures to cope with the crisis. They recommended, among other things, that the unity of the nation should be further cemented by bringing about the abolition of the South-western Political and Party organs.

Secondly, they suggested that a system of compulsory military training be introduced and that all able-bodied male citizens should be subjected to intensive training so that the nation's power of self-defence may be enhanced.

Finally the members who took part in the discussion expressed the opinion that the new Japanese policy was a menace to the existence not merely of North China, but of the country as a whole; and that a more positive diplomatic policy must be adopted in order to find a way out of the situation.

After prolonged discussion, the proposals made at the meeting were referred to a Committee of seven members, headed by Fu Ping-chang, Chairman of the Foreign Relations Committee, for examination and report.

Chinese Reactions Abroad

According to a *Chekiai* message from Paris, April 26, Dr. V. K. Wellington Koo, Chinese Minister to France, issued the following statement on April 26 to the American press representatives in Paris:

"The Japanese declaration claiming controling a voice in Sino-foreign relations has aroused considerable indignation in China and evoked much criticism in Europe and America. The claim bares in all nakedness Japan's desire to dominate the Pacific region of Asia and reveals the real source of danger to the peace in the Far East. Behind all its subterfuge, the declaration indicates the determination on the part of Japan to destroy the independence of China and to make her a vassal state in order that she may control and monopolise China's resources and trade.

"It is indeed ridiculous that Japan, now already a third naval Power in the world and equipped with a standing army twice as large as that of the United States or that of Great Britain, should feel menaced by a peace-loving China.

"China has no other wish," said Dr. Koo in conclusion, "than to hasten her work of national reconstruction and share in the task of building up world prosperity. No nation which harbors no evil designs on China need fear the deve-

lopment of an united, strong and prosperous China. A China, independent and prosperous, while constituting no menace to Japan or to the peace in the Far East, will on the other hand be a great asset to the prosperity of all nations in the world."

Interviewed on April 26 by *Havas*, Quo Tai-chi, the Chinese Minister to London issued the following statement concerning Japan's policy in China:

"Japan's policy favoring the use of force and recourse to warfare is a product of the Japanese nation's psychological condition. Japan has always emerged victorious from her wars and her people never suffered from an invasion of her territory. This makes the Japanese regard war as a profitable and noble enterprise.

"Japan is continuing her expansion in violation of the Nine Power Treaty. The invasion of Manchuria is a flagrant case of this violation and the fortification of mandatory islands is another example.

"If the signatories of the Nine Power Treaty wish to thwart this expansion, which would finally end in complete invasion of China thus ruining the Western trade, they must act accordingly."

The Japanese policy to safeguard peace by making war is cretainly a queer and absurd policy, declared Victor Hoo, Chinese Minister at Berne, in an interview granted to the press in Geneva on April 25 in regard to the Japanese Foreign Office "Leave China to Japan" declaration, according to a *Chekiai* message from Geneva on April 26.

After reviewing the present situation in the Far East, Minister Hoo reminded the press representatives of the famous "Tanaka Memorial" in which the late Japanese Premier outlined the Japanese policy of conquest of Asia and eventually of the whole world. He pointed out that present events in Asia indicate that Japan is now actively carrying out the program mapped out in that document.

According to a *Havas* message from Washington, April 20, Alfred Sze, Chinese Minister to Washington, has remitted to the U.S. Government a protest of his government against the verbal statement of the Tokyo Foreign Office announcing a new policy of Japan in regard to China.

While Japan is extending her influence in Outer Mongolia, Soviet Russia is strengthening her supremacy in Inner Mongolia. The result is an increasing conflict between the two forces. These statements were made on April 26 in Paris by M. Percheron, French journalist who recently made a trip through the Far East.

The China Institute of International Relations at Shanghai in a statement issued on April 27 declared that Tokyo Foreign Office "hands off" China warning to the world powers is more unreasonable than the notorious "Twenty-One Demands" of 1915.

In the 21 Demands which were forced upon China by Japan at a time when the Western Powers were busily engaged in the World War, Japan aimed at monopolizing all of China's military and other constructive activities for her national defense. In her recent statement, Japan goes a step further by rejecting selling of airplanes and despatching of military and aviation instructors and advisers to China by foreign powers.

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Canton Addresses Note to Powers on China's Policy

The South-west Political Council issued an official statement addressed to the League of Nations and the signatory Powers of the Nine Power Treaty on April 27, strongly attacktacking Japan—for her recent "Hands-off-China" statement. In this telegram the South-west points out that the Japanese statement not only constitutes a violation of the Nine Power Treaty but is an open challenge to the Powers' interests and a threat to the peace in the Far East. The statement points out:

"A Japanese Monroe Doctine for Asia will bring disaster to the Far East and also to the world. It devolves upon thhe League of Nations and the signatories of the Nine Power Treaty to preserve peace in the Far East, by taking a strong stand regarding the Japanese statement of April 17.

"The interests of the world make it imperative to stop immediately the territorial aggression of Japan, and her interference in the internal affairs of China.

"We look to the League of Nations and to the signatories of the Nine Power Treaty, to exercise their powers and to discharge their obligations under these solemn pacts, thus making them practical instruments of peace."

In an outspoken declaration addressed to Great Britain, the United States and Soviet Russia on April 28, in connection with the Japanese "Hands-off-China" statement, Hu Han-min, veteran Party leader, drew attention to the fact that the Japanese Far Eastern policy was aimed at nothing short of complete domination in the Far East and that the interests of these Powers themselves demand concerted action against Japan.

Expressing strong resentment at the Japanese "Hands-off-China" statement, Tsou Lu, another Kuomintang leader in Canton, pointed out that the statement virtually treated China as a Japanese protectorate. Mr. Tsou recalled that ever since the outbreak of the Manchurian crisis, he had time and again drawn attention to the imminence of China's extinction as an independent and sovereign State. Just as Manchuria was lost in 1932, and Jehol, in 1933; so the whole country might shortly become a Japanese dependency. Mr. Tsou went on to say: "Being disciples of the late Party Leader (Dr. Sun Yat-sen), it is our mission to overthrow Imperialism and abolish unequal treaties. But instead of accomplishing that mission, we are likely to become instrument whereby the nation is placed in a state of servitude."

The South-west Political Council held a meeting April 23 when General Li Tsung-jen made a detailed report on the result of meeting with Hu Han-min and General Tang Sheng-chih at Hongkong in connection with the Sino-Japanese situation. The South-west Council has also received a telegram from President Wang Ching-wei explaining the Government's foreign policy and urging the South-west to co-operate with the Government in facing the present crisis. Mr. Wang advised the Southwest leaders not to issue further statements so as not to create a bad impression among the Powers.

Measures for coping with Japan's "Hands-off China" policy were discussed at the meeting of the South-west Political Council on April 26. It was decided to telegraph the Central Government urging it not to yield to Japanese arrogance but to preserve the national territory at all costs.

According to a report in *Chao Jen Pao* in Hongkong April 22, the C. E. C. members in Canton are indignant at the silence on the part of the Nanking Government towards the telegram issued by the South-west Political Council on April 14 demanding an explanation by the Nanking Government regarding the latest foreign policy towards Japan and are threatening to take a step further to show their opposition to Nanking. The negotiations which have been in progress between Nanking and Canton for the reorganization of the Kwangtung Provincial Government, the abolition of the two South-west organizations and the organization of a Branch Military Council in Canton had since been deadlocked.

Japanese Activities in Fukien Cause Anxeity

According to a *Chekiai* report from Foochow, April 24, anxiety is now being felt here for the peace in South China, particularly in Fukien, as a result of the recent activities of the Japanese agents along the coastal cities of the province. The situation is beginning to take a serious turn, as the Japanese Governor-General for Formosa is reported to be summoning an important conference at Formosa in June to discuss plans of expansion of Japanese influence in South China. The conference, it is learned, is to be called "The Opposite Shore Conference," which evidently refers to the important cities opposite Formosa including Foochow, Amoy, Swatow, Hongkong and Shanghai. The conference will be attended by Japanese consuls stationed in these five places who are reported to have been instructed to the effect that they must each prepare a memorandum on the political, military, party affairs and highway conditions in their respective places for submission to the conference for discussion. Recently, an unceasing flow of Japanese visitors and tourists came to Foochow, Amoy and other cities in Fukien. In the meantime, there is also a sudden influx of Formosans. Mixed companies of Japanese and Formosans are found in many cities along the coast, spying on conditions

and drawing maps. Some of them have also traveled to the interior cities to engage in similar activities.

A *Chekiai* telegram from Nanking on April 25 further reported that the National Government is paying close attention to the so-called "Opposite Shore Conference" which the Japanese Governor-General for Formosa is summing to be held in Formosa in the middle of June. The conference, the telegram states, will be devoted to the discussion and formulation of a new Japanese policy in South China and will be attended by Japanese consuls in Shanghai, Foochow, Amoy, Swatow and Hongkong. In view of the deep-seated Japanese influence in Amoy and the territorial propinquity of Fukien with Formosa, apprehensions are entertained in Nanking that the conference might result in unexpected changes in South China. The telegram further states that Japanese intrigue in Fukien has been fermenting for a long time and is now rapidly becoming an open secret.

The reported "Opposite Shore Conference" is now also engaging the attention of the Canton authorities. Generals Chen Chi-tang, Li Tsung-jen and Mr. Tang Shao-yi yseterday held an informal meeting to discuss the question. It is understood that besides telegraphing to the Central Government inviting its attention to the development, they have decided to take effective measures in Kwangtung territory to cope with the situation.

According to a *China Press* report from Hongkong, April 27, Li Chi-chun, notorious bandit chief who caused much trouble in the Luantung demilitarized area in North China some time ago, was reliably reported to have secretly entered Fukien with plans to stage large-scale disturbances in the South-western provinces with the support of Japan.

Three Important "Red" Strongholds Captured by Governmen Forces

Chunmenling, key point to Hweichang, "Red" stronghold in southern Kiangsi, was captured by the 8th Kwangtung Division under Lieut.-General Huang Chi-wen on April 22.

According to a despatch from General Li Yang-ching, Field-Commander of the 2nd Column of the Southern Route Bandit-suppression Forces, two regiments attached to the 8th Division launched a combined attack on the pass on the morning of the 21st, and after severe fighting throughout the day, the Kwangtung units occupied Chunmenling at six o'clock in the evening.

The capture of Chunmenling paves the way for the descent on Hweichang and Juikin, the "Red" capital, by the Government forces.

With the capture of Chunmenling, General Li has ordered the 8th Kwantung Division to march on Hweichang, 33 miles north of Chunmenling. The 7th Kwangtung Division is remaining to garrison Chunmenling.

General Chen Chi-tang, Commander-in-Chief of the Southern Route Bandit-suppression Forces, has telegraphed to the 2nd Column under General Li Yang-ching, highly commending them for their capture of Chunmenling. Cash rewards have been granted by General Chen to the soldiers of the 2nd Column. General Chen has also ordered the 7th and 8th Kwangtung Divisions for the joint attack on the "Reds" at Hweichang.

The Communists in Kiangsi are making feverish preparations to launch a counter-attack on Chunmengling from three directions, one from Lotang, another from Anyuan and a third from Hweichang. A large reinforcement of 30,000 Communist troops has been mobilized by the two "Red" Army leaders, Chu Teh and Mao Tse-tung, for this purpose.

Kwangchang, an important "Red" stronghold in eastern Kiangsi, was captured April 28 by the 3rd Route Government Army under General Chen Cheng, according to an official report received by the Nanchang Military Headquarters. The occupation of Kwangchang city is the culmination of 10 days of hard fighting on the part of the Government troops.

Liencheng in Fukien Also Captured

General Chiang Ting-wen, Commander-in-Chief of the Eastern Route Bandit-suppression Forces, announces the capture of Liencheng, "Red" stronghold in western Fukien, by the 4th Column under General Li Yen-nien on April 23. The capture of Liencheng, according to military experts, paves the way for a concerted drive on Hweichang and Juikin, "Red" strongholds in southern Kiangsi, and on Changting, "Red" rendezvous in western Fukien, by the Southern and the Eastern Route Bandit-suppression Forces.

Fighting is now raging between the Government troops and the "Reds" under Lo Ping-hui at Sankow, 27 miles north of Yungan city, western Fukien. The main forces of the "Red" outlaws are concentrated between Yungan and Kungchuan, 13 miles north of the city. Government troops are descending from three directions with a view to recapturing the city. The remnant marauders in the neighborhood of Tsiang-lo city, 40 miles west of Yenping in northern Fukien, are being suppressed by the 10th Government Division.

To facilitate the direction of operations against the "Reds" in western Fukien, General Chiang has established a provisional headquarters at Lungyen, south-western Fukien.

Wtih their rear menaced by the loss of Chunmenling, in Kiangsi, to the Kwangtung forces, the Red outlaws at Liencheng and Changting are attempting to beat a general retreat to Juikin, "Red" capital in southern Kiangsi.

In an order to General Chiang Ting-wen, Commander-in-Chief of the Eastern Route Bandit-suppression forces, General Chiang Kai-shek, President of the Military Affairs Commission, forbids the military commanders to meddle with civil and financial matters in Fukien. Discipline must be upheld and the provincial revenue kept intact, the order emphasizes. Severe punishment will be meted out to offenders.

A Rural Rehabilitation Committee for western Fukien has been established by General Chiang Ting-wen, in Fukien. The Committee's duty is to settle all disputes relating to the peasants and their farms in Lungyen and other districts in western Fukien.

The Fukien Provincial authorities and the Fukien Provincial Relief Committee are attempting to raise $10,000 for the purpose of affording relief to Communist victims in Western Fukien.

General Ho Chien, Chairman of Hunan, reports that 3,000 "Reds" under Ho Lung have escaped to Lichuan, south-western Hupeh, from Sienfeng after being defeated by the Brigade under Major-General Ku Chia-chi and the Hupeh troops at Wolung-ping along the Hunan-Hupeh border.

The remnant "Reds" at Puchi and Tsung-yang, southern Hupeh, have been routed by the 19th Hunan Division at Chichiukow, Lochiashan and Chungshinping. Several bandit officers were made captives. The Hunan units are cooperating with the Hupeh troops in the hunt for the scattered outlaws.

The Communists in northern Szechuen are making desperate efforts to maintain their position at Tungkiang and at the same time they are making a vigorous counter-attack on the fifth route Szechuen army in the vicinity of Hsuanhan. During the attack, the provincial troops lost about 2,000 men, while the Communists lost even more.

The Communists under Ho Lung are making a vigorous attempt to join up with the Reds in northern Szechuen. It is believed that if Hsu Hsiang-chien's Reds can break up the resistance of the 5th Route Army,Ho Lung's men can easily come up to northern Szechuen.

The practice of giving financial "allowances" to staff members of the Provisional Headquarters of the President of the Military Affairs Commission or Commander-in-Chief's Headquarters, or of "inviting" them to become advisers or counsellors—salaried sinecures—is strictly prohibited by General Chiang Kai-shek in identic orders to the various bandit-suppression armies. The order threatens that both guilty parties will be regarded as giving and receiving bribes and dealt with accordingly, the order states.

General Chiang also issued a circular telegram on April 27 to the various Provincial and Municipal Governments, enjoining strict enforcement of the principles of the New Life Movement.

Sinkiang Holds Nationalities Conference

According to reports received at Moscow, April 23, circulated by the *Tass* agency, the opening of the general conference of nationalities inhabiting the Sinkiang province, summoned by the Sinkiang Authorities,

(*Continued on page 382*)

What Religion Means to Me

BY MADAME CHIANG KAI-SHEK

(Reprinted from the Forum and Mercury for March, 1934)

BY nature I am not a religious person. At least not in the common acceptance of that term. I am not by nature a mystic. I am practical-minded. Mundane things have meant much to me, perhaps too much. Mundane, not material, things. I care more for a beautiful celadon vase than for costly jewels. I am more disturbed as I traverse the crowded, dirty streets of an interior city than I am by the hazards of flying with poor visibility, which my husband and I experienced the other day. Personal danger means nothing to me. But I am concerned that my schools for the children of the revolutionary heroes shall raise for them, and perhaps for the communities to which they return, the standard of living and the quality of life.

Madame Chiang Kai-shek

The above is a reproduction of a portrait of the wife of General Chiang Kai-shek, which was painted by Karl S. Woerner, well-known artist. It appeared originally in the March issue of "The Forum and Century," together with the accompanying article. Madame Chiang is the youngest of the three sisters of T. V. Soong, former Finance Minister, who is now a director of the National Economic Council. The other sisters are Madame H. H. Kung, wife of the present Minister of Finance and Madame Sun Yat-sen, widow of the first President of the Republic and founder of the Kuomintang or Nationalist Party.

Also, I am more or less skeptical. I used to think Faith, Belief, Immortality were more or less imaginary. I believed in the world seen, not the world unseen. I could not accept things just because they had always been accepted. In other words, a religion good enough for my fathers did not necessarily appeal to me. I do not yet believe in predigested religion in palatable, sugar-coated doses.

I knew my mother lived very close to God. I recognized something great in her. And I believe that my childhood training influenced me greatly even though I was more or less rebellious at the time. It must often have grieved my beloved mother that I found family prayers tiresome and frequently found myself conveniently thirsty at the moment, so that I had to slip out of the room. Like my brothers and sisters, I always had to go to church and I hated the long sermons. But to-day I feel that this church-going habit established something, a kind of stability, for which I am grateful to my parents.

My mother was not a sentimental parent. In many ways she was Spartan. But one of my strongest childhood impressions is of Mother going to a room she kept for the purpose on the third floor to pray. She spent hours in prayer, often beginning before dawn. When we asked her advice about anything, she would say, "I must ask God first." And we could not hurry her. Asking God was not a matter of spending five minutes to ask Him to bless her child and grant the request. It meant waiting upon God until she felt His leading. And I must say that whenever Mother prayed and trusted God for her decision, the undertaking invariably turned out well.

Perhaps this is why I sometimes think that I have grown spiritually because Mother was taken from me. Or to be perfectly honest, I sometimes think perhaps God took Mother from her children in order that we might grow. As long as Mother lived I had a feeling that whatever I did, or failed to do, Mother would pray me through. Though she insisted that she was not our intercessor, that we must pray ourselves, yet I know for a certainty that many of her long hours of prayer were spent interceding for us. Perhaps it is because religion in my mind is associated with such a mother that I have never been able to turn away from it entirely.

Before I leave the subject of prayer, I want to tell you of a lesson I learned from my mother. It was shortly before she left us. She was ill and already confined to her bed. Japan had begun to show her hand in Manchuria. Most of this we kept from Mother. One day I was talking with her about the imminent Japanese menace and I suddenly cried out in irresistible intensity of feeling:

"Mother, you're so powerful in prayer. Why don't you pray that God will annihilate Japan—by an earthquake or something?"

She turned her face away for a time. Then looking gravely at me she said: "When you pray, or expect me to pray, don't insult God's intelligence by asking Him to do something which would be unworthy even of you, a mortal!"

That made a deep impression on me. And to-day I can pray for the Japanese people, knowing that there must be many who, like Kagawa, suffer because of what their country is doing to China.

II

During the last seven years I have suffered much. I have gone through deep waters because of the chaotic conditions in China: the lopping off of our richest provinces, the death of my saintly mother, flood, famine, and the intrigues of those who should have been helping to unify the country. All these things have made me see my own inadequacy. More than that, all human insufficiency. To try to do anything for the country seemed like trying to put out a great conflagration with a cup of water. In contemplating history I began to feel the futility of life. Sometimes I would say to myself (never to my husband): "What if we do achieve a strong, unified country? In the sum total of things what does it amount to? As surely as a country rises to the zenith, so surely does it decline!"

During these years of my married life, I have gone through three phases as related to my religion. First, there was a tremendous enthusiasm and patriotism—a passionate desire to do something for my country. Here was my opportunity. With my husband, I would work ceaselessly to make China strong. I had the best of intentions. But something was lacking. There was no staying power. I was depending on self.

Then came the second phase. These things that I have referred to happened, and I was plunged into dark despair. A terrible depression settled on me—spiritual despair, bleakness, desolation. At the time of my mother's death, the blackness was greatest. A foreign foe was on our soil in the north. A discontented political faction in the south. Famine in the northwest. Floods threatening the millions who dwell in the Yangtze valley. And my beloved mother taken from me. What was left?

And then I realized that spiritually I was failing my husband. My mother's influence on the General had been tremendous. His own mother was a devout Buddhist. It was *my* mother's influence and personal example that led him to become a Christian. Too honest to promise to be one just to win her consent to our marriage, he had promised my mother that he would study Christianity and read the Bible. And I suddenly realized that he was sticking to his promise, even after she was gone, but losing spiritually because there were so many things he did not understand. In common parlance, I have to "hand it to him" for sticking to his daily Old Testament reading when without illumination there was little help in it for him.

I began to see that what I was doing to help, for the sake of country, was only a substitute for what he needed. I was letting him head toward a mirage when I knew of the oasis. Life was all confusion. I had been in the depths of despair. Out of that, and the feeling of human inadequacy, I was driven back to my mother's God. I knew there was a power greater than myself. I knew God was there. But Mother was no longer there to do my interceding for me. It seemed to be up to me to help the General spiritually, and in helping him I grew spiritually myself.

Thus I entered into the third period, where I wanted to do, not my will, but God's. Life is really simple, and yet how confused we make it. In old Chinese art, there is just one outstanding object, perhaps a flower, on a scroll. Everything else in the picture is subordinated to that one beautiful thing. An integrated life is like that. What is that one flower? As I see it now, it is the will of God. But to know His will, and do it, calls for absolute sincerity, absolute honesty with oneself, and it means using one's mind to the best of one's ability. There is no weapon with which to fight sincerity and honesty. Political life is full of falsity and diplomacy and expediency. My firm conviction is that one's greatest weapon is not more deceptive falsity, more subtle diplomacy, greater expediency; but the simple, unassailable weapons of sincerity and truth.

III

Solomon showed his greatness when he asked God, not for wealth or fame or power, but for wisdom—for the sake of country. It is nothing just to be good. That can be read backwards—good for nothing. One must have moral conviction, wisdom, and the energy to accomplish. I used to pray that God would do this or that. Now I pray only that God will make His will known to me. God speaks to me in prayer. Prayer is not self-hypnotism. It is more than meditation. The Buddhist priests spend days meditating. In meditation the source of strength is oneself. But when one prays he goes to a source of strength greater than his own. I wait to feel His leading, and His guidance means certainty.

In the feudal time of the Three Kingdoms, there was an old general called Ts'ao Ts'ao. Once upon a time he was going on a long march. His soldiers were weary, thirsty, discouraged. He said to them, "From my horse I can see a beautiful garden, full of luscious plums!" Their mouths watered, new strength and courage came to them. But for how long? The plum garden did not materialize, and the soldiers were more weary than before. That to me is like meditation. There is a buoyancy of spirit for a time. It may help when there is no oasis in sight. But when I am spiritually thirsty, I do not think of plum gardens—I go to the fountain of living water.

There are two things in the Bible that impress me more than others. One is, "Thy will be done," and the other, "Thou shalt love the Lord, thy God, with all thy heart and with all thy soul and with all thy strength and with all thy *mind*." We have to use our minds as well as our hearts. Hell is paved with good intentions. And I know of nothing more aggravating than a well-meaning person who has no judgment. Prayer is our source of guidance and balance. God is able to enlighten the understanding. I am often bewildered, because my mind is only finite. I question and doubt my own judgments. Then I seek guidance, and when I am sure, I go ahead, leaving the results with Him.

Our finite minds beside His infinite mind seem to me like this: I go walking, and the hills loom above me, range upon range, one against the other. I cannot tell where one begins, and another leaves off. But from the air (I seldom have time to travel any other way now) everything has a distinct contour and form. I can see things so much more clearly. Perhaps that is like my mind and God's. And when I talk with Him, He lifts me up where I can see clearly.

I do not think it is possible to make this understandable to one who has not tried it. To explain to one who has had no experience of getting guidance what it means would be like trying to make a stone-deaf person understand the beauty of a Chopin sonata. A physicist or a specialist in tones and their wave lengths might convey some idea of it to such an one. I do not know. But I'm sure I could not.

What I do want to make clear is that whether we get guidance or not, it's there. It's like tuning in on the radio. There's music in the air, whether we tune in or not. By learning to tune in, one can understand. How is it done? As Brother Lawrence told us long ago, "by practicing the presence of God." By daily communion with Him. One cannot expect to be conscious of God's presence when one has only a bowing acquaintance with Him.

In conclusion, with me religion is a very simple thing. It means to try with all my heart and soul and strength *and mind* to do the will of God. I feel that God has given me a work to do for China. In this province of Kiangsi thousands of *li* of fertile rice fields are now devastated ruins; hundreds of thousands of families have been rendered homeless. This communist-bandit situation in some of the provinces of China has grown increasingly menacing in the last five years. The bandits' openly avowed hatred for law and order forces the government to suppress them. But military occupation of retaken territory will not be enough. Rural rehabilitation must follow, helping the farmers back to their land and to better conditions of life. This is no small task. In fact, China's problems in some ways are greater to-day than ever before. But despondency and despair are not mine to-day. I look to Him who is able to do all things, even more than we ask or think. At this time of writing, I am with my husband in the heart of the bandit area. Constantly exposed to dangers, I am unafraid. I know that nothing can happen either to the General or to me till our work is done. After that, what does it matter?

America and Japan Must Remain Friends

Editor, *China Weekly Review*:—

Hardly a day passes without this or that newspaper bewailing the tenseness of the so-called Far Eastern Situation and predicting another world war somewhere in Asia in the not distant future. It has been Japan's fortune or misfortune to occupy the center of the picture and to be matched against such powers as Soviet Russia, the United States, and sometimes against Great Britain. The world outlook certainly is gloomy and depressing as a result of war propaganda going on unabated in a number of countries,—a propaganda which benefits no one but the shipbuilders and the munition manufacturers. It is an open secret that an armament race has already been started by the great powers of the world in preparation for the Great Crisis, and reports continue to show that munition factories in Japan are working overtime while the United States has begun building the largest navy in the world.

War is a crime against society, against humanity, and against God, and those who perpetrate it are the worst criminals that ever walked on the surface of this earth. It is most unfortunate that Japan and the United States have often been pictured before the eyes of the world as great enemies who are sure to clash sooner or later. Not a few people believe that war between these two powers is just a matter of time. It is a pity that such war propaganda should be allowed to continue to poison the minds of the peoples instead of being checked by statesmen and leaders who rule the world.

The greatest calamity that can ever happen to this world would be a war between Japan and the United States, for such war is most likely to develop into a world conflagration which would change the face of this earth and the present civilization. In the face of the present disturbed relations between the two great powers on certain questions and principles, they owe it not only to themselves but to the world at large to remove all existing causes of irritation and to restore mutual confidence and understanding, thereby saving the world from destruction and death.

Japan should understand America and America should understand Japan. Such an understanding should contribute to the improvement of their relations which, after all, are not as bad as they are pictured to us by the militarists and selfish individuals seeking more worlds to conquer. Japan has no reasons to bear ill will against the United States just as the United States has no reasons to have any against Japan. The American attitude towards the Manchurian question is a challenge to Japan, but is also a general expression of her traditional policy in respect to *all* international commitments and treaties to which she is a party, and it would be highly foolish to believe that she will fight Japan on this question when China herself is unwilling to fight for it. Commercially, Japan does not seem to compete much against the United States if American trade reports on the East are correct, owing perhaps to the fact that the America products are of entirely different quality from those of Japan. The only possible grievance of Japan against the United States is the Exclusion Act but it must be remembered that earnest efforts are being exerted in America to place Japan on a quota basis the same as the European countries, and it is to be hoped that Japan will gain this point in due time. Japan should be patient with regard to this question and permit America to act on the measure with dignity and self-respect as befits a great and proud nation.

Japan should also understand that the decision of the United States to build her navy to full treaty limit was brought about as a result of the failure of the Disarmament Conference and not as a threat against the safety of Japan. America has no desire to expand territorially but only to participate in the lawful commerce of the world, and it would be unfair to charge that she would allow her navy to be used to attack Japan where she has large investments. Likewise, it would be unthinkable to suppose that Japan would attack the United States in her present position. The American Navy always will stand for the maintenance of world peace and never as a tool for aggression against any foreign nation.

It is in the interest of both countries to remain on friendly terms now and always, and to refuse to participate in any move of insanity or madness such as the one that devastated Europe nearly twenty years ago. Neither of them stands to gain by fighting the other. Japan's friends in America are legion, and vice versa. Many peoples outside of the two countries would wish to see them remain at peace. All of these peoples could do a great service to humanity by convincing their rulers of the necessity of preserving the peace of the world as against plunging it into a terrible catastrophe.

A. D. LEE

Amoy, April 27, 1934.

How Manchuria is Being Converted Into a Japanese Colony

BY EDGAR SNOW

(Reprinted from the Saturday Evening Post)

(Concluded from last week)

Wild East Supplants Wild West

Foreign consuls are obliged to surround themselves with bodyguards. While in Harbin I went out upon the Sungari River one day with Boston's Congressman Tinkham, who was touring Manchuria. We visited large-hearted George Hanson, probably the best-loved consul general anywhere, and one of the ablest. On a little table in front of Mr. Hanson's shack was a small arsenal of rifles and automatics. On either side of his place were bodyguards, who kept vigilant lookout for bandits. To Congressman Tinkham, who was en route to Indo-China looking for big game, Mr. Hanson said:

"See that little boat down there? Last week a Japanese was sitting on the bank near there, fishing, when along came bandits, wanting to kidnap him. He resisted, and they killed him. I could point out a dozen places around here were people have been robbed, killed or kidnaped. Why not take home a Manchurian bandit in your big-game bag?"

The owner of the Moderne Hotel, where I stayed in Harbin, was grief-stricken over the recent disappearance of his talented pianist son. Simeon Kaspe, a French citizen. He had been kidnapped by Russia bandits, who threatened to cut off his fingers unless his father paid over Yen 300,000 ransom. Instead, they sliced off his ears and eventually murdered him. Many others, Chinese, Russians and Japanese, are now being held for ransom by gangs in hiding but a few miles from the town. Some of the worst criminals are White Russians. Destitute, broken in spirit, unwilling to return to Russia under the Bolsheviks, unable to earn a living in China under the Japanese, they turn desperately to crime, nourished on a diet of drugs, which are sold openly in shops infesting the city.

The recent statement by Stuart Fuller, sent by President Roosevelt to deliver a protest against the Manchukuo Opium Monopoly before the League of Nations Opium Commission, was a mild descriptoin of the drug peril here. In Harbin alone there are more than 2000 licensed shops for the sale of opium, heroin and morphine. "The shops are licensed mostly by Koreans and Japanese," a foreign Consular official informed me. "But anybody can buy; no license required." Testing out his statement, I asked a Chinese to take me to the nearest drug station. There I was offered a shot of heroin for 20 coppers.

Of course, opium and its derivatives are no new story in China and Manchuria. Under the Young Marshal's dictatorship, Chinese generals fattened on opuim profits, which continue also to be an important source of revenue for the Nanking Government. But in China the traffic has remained nominally "illegal," and many good people snub those engaged in it until they have made at least $1,000,000. In "Japanchukuo," however, it has acquired social respectability with the establishment of an opium-control monooply.

Accent on the "control." Theoretically created to procure complete extermination, in practice the monopoly has vastly stimulated both production and consumption. One authority assures me that "no less than 20% of the Japanese subjects, mostly Koreans, in Manchukuo, are directly involved in the narcotics trade."

The Beautiful, Deadly Flower

Semi-official estimates place the production of opium alone in Manchukuo—including Jehol—for 1933 at 280,000 pounds, which is sufficient to keep a pipe going in every hut. Unofficial estimates reach from two to ten times that figure. Japanese say, however, that poppy plantings will be reduced by half in 1934. Last year farmers were encouraged to grow the "beautiful, deadly flower" in order to recoup losses during the 1932 depression, but in the future such privileges will not obtain. Only special areas will be allotted for poppy crops; violators will be fined heavily. Reasons behind this are probably not altruistic, for the great overproduction of the drug has practically ruined the local market. Great effort. have been made to increase foreign consumption.

Bad enough in the old days, the opium is palpably worse under the Japanese. The same remark applies to education in the new state. Not more than 60% of the former primary schools are functioning, middle schools are even fewer, and nothing that can really be called a university has yet been opened. At Mukden I talked to a Japanese consul about this failure, and asked for reasons.

He said he thought it traceable to the fact that there were too many soldiers in the country, "not so many teachers." No explanation for an Occidental, that is satisfactory enough for Japanese as well as Chinese. To both, when queried, "Why are there so many bandits?" the grave reply, "Yes, there are too many bandits," seems cogent with cold logic.

From Prime Minister Cheng, who is concurrently minister of education, I learned little more about schools. Admitting that the situation was far from ideal, he emphasized that "conditions were just beginning to return to normal." Big education strides were expected during 1934, he said. Uncharitable observers are inclined to think, however, that Cheng's ambitious plans for mass education, like his dreams of a Wang Tao state, are fancies which the Japanese regard as harmless divertissements for a calligrapher who is also a prime minister.

The Three R's in Manchukuo

Such skepticism is nourished by the fact that out of the present budget of M.Y.149,000,000, less than M.Y.1,000,000 is allotted to education, which is almost entirely run by the state, whereas M.Y.42,000,000 is devoted to "defense"—that is, bandit suppression. Yet this does not deter Poet Cheng from conjuring up visions of a splendid all-Manchukuo university, to rise in Hsinking. Incidentally, study of the Japanese language will be compulsory; in such schools as now function, it is already a required subject. Meanwhile, it appears that the excellent buildings of the Mukden Northeastern University, fruit of one of old bandit Chang Tso-lin's moods of benevolence, bear the taint of Chinese militarism, and must be abandoned as halls of learning. They now serve as Japanese military storerooms.

Noncommittal on government failures, the prime minister concentrates on "remarkable progress made" under Japanese leadership. "Besides the elimination of banditry," he told me, "great achievements are to be seen in financial reforms and the development of communications—airways, highways, railways and telegraphs." Although never risking his life in a flying machine himself, he is an "aviation enthusiast," according to his Christian-educated Chinese secretary, whom I used to know as a bank clerk in Shanghai.

Air lines now webbing Manchukuo's skies are welcomed as time savers in this land of illimitable distances. Reservations must be made days in advance, as the six seats per plane are in great demand; even then one is likely to be turned out, as I was once on a trip to Jehol, by an army officer on urgent business. The planes are Japan-made, and piloted by Japanese army flyers. Few accidents are recorded.

The prime minister's satisfaction with currency stabilization is also well founded. Thus far the greatest benefit of Japanese rule, the new banking system has abolished fiat currency, which the peasants formerly were forced to accept by avaricious Chinese warlords. They issued crisp but soon worthless paper called *feng piao* in exchange for the great soyabean crop, worth from $300,000,000 to $400,000,000 annually, and for other cereals, which were then sold abroad by the militarists for hard money. Hundreds of millions were amassed thorugh this simple form of brigandage.

Under Chang Hsueh-liang the situation somewhat improved; some think that, given time, he might have done as well as have the Japanese, with their Central Bank of Manchukuo. The latter, with a Yen 30,000,000 loan from Japanese banks and the seized treasure of the defunct warlords, has by now converted more than 70% of the more reputable old notes, and succeeded in stabilizing the *yuan* at par with the China dollar. Today this *yuan* is worth slightly more than the Japanese *yen*.

Japanese have had some success, too, in eradicating "squeeze," or graft, long considered inevitable in Chinese politics. In rural districts, where much the same order of government by magistrates prevails as formerly, the farmers now buy coupons from finance bureaus run by the central government. There they are told the exact sum of their legal taxes, and with such coupons they pay the taxgatherer, whose job is no longer coveted as a Wallingford proposition. Japanese everywhere have control of finances, and although among them peculation is by no means unknown, its discovery usually leads to dismissal or punishment.

Japan Spins Her Steel Web

But it is in railway construction that Japanese colonialism assumes its most spectacular form. Spreading lines of steel here symbolize the energetic thrust of a restless people, puissant with historic drive. Laid down at the rate of nearly five miles a day, pushing into untouched forests and over untamed hill and valley thick with bandits, Japan-made rails becomes the iron road for Japan-made locomotives, in turn the vanguard for other modernities —Japan-made telephones and telegraphs, light and power plants, and surfaced highways, of which 60,000 miles are to be built within five years.

In this mighty campaign flung across a wide landscape, the Japanese see themselves not as outlawed treaty breakers but in the role of pioneers, frontier openers, builder conquerors of the Pacific Orient. Too complicated for detailed explanation in this essentially

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LOTTERY NO. 5

DRAWN AT THE CANIDROME, SHANGHAI, 27th APRIL 1934

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3rd PRIZE: 4 of $50,000 each 072908 172576 287320 302184

4th PRIZE: 10 of $10,000 each 023697 052102 120608 269072 444886
048215 117991 152065 409964 467052

5th PRIZE: 50 of $2,000 each

006637	080850	104047	148745	197907	283341	354451	390469	422057	475932
031504	084481	104830	148923	198943	286622	375269	401391	438917	484742
074298	098953	122427	169948	207781	310616	375950	403851	454110	485253
076895	099687	124683	193369	258770	314153	377762	416709	464263	486937
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6th PRIZE: 100 of $500 each

004526	052196	105747	143432	197063	231655	267773	331056	385871	458659
005043	053692	105808	146114	197345	231799	283803	340408	386859	462503
010050	061401	112280	147746	198694	235610	285341	346071	390348	463958
012111	063081	115125	149891	206045	236558	286812	352884	415524	475851
012168	066266	118127	152577	210460	243981	287889	358339	419920	476635
014351	076655	124881	168129	211754	247247	288580	358451	428521	482019
015092	082591	127589	174801	216500	249162	289512	367710	428623	483235
023577	084173	131760	185879	221087	249968	293657	370794	430226	488493
032113	091394	142002	187634	228324	254748	318419	370845	435429	488670
043619	102778	142839	195538	228756	264659	325037	371341	451071	490985

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LOY CHANG,
Director-General.

Shanghai, 28th April, 1934

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kaleidoscopic picture, it is sufficient to say of the Japanese railway offensive that it has three main objectives:

1. Commercial death for the 500,000,000-ruble Czarist-made, Soviet-managed Chinese Eastern Railway;

2. Completion of what the Japanese call the "defense perimeter," but what foreigners call the "offense preparations," for the day of great conflict with Russia for mastery of the Far East;

3. Linking up the economic and political destinies of Manchuria and Mongolia with Japan and Korea.

"Japan now has more than 5,000 miles of railways in Manchukuo," says General Koiso, the brains of the construction program. "In five years it will be 15,000 miles." Important among new lines built and projected is what may be called the Taheiho-Tumen railway system. Composed of a number of short roads linked into one great cross-country trunk line, it connects the northern marches of Heilungkiang with the Korean ports of Yuki, Seishin, and the Yen 30,000,000 harbor at Rashin, now under construction, on the Sea of Japan. Through traffic is already established from those Ports to Kirin, Hsinking, Harbin and Tsitsihar. The last lap, to Taheiho on the Amur River, opposite Russian Blagovestchensk, probably will be completed during 1934.

Shipments routed over the new system from the north can reach the sea, and Japan, a day or more earlier than by way of Vladivostok, via the Chinese Eastern Railway, which serves the same regions. And freight rates are only a fraction of those charged over the C.E.R. With its branches, now crawling out to tap the wealth of Northern Kirin and Heilungkiang, this new rail artery reduces the function of the C.E.R. to a mere feeder line. Whether or not we accept as valid the recently published Hishikari douments, in which Russia charged Japan with deliberate sabotage and plots to seize the C.E.R. by force, whether or not Japan and Russia finally make a bargain for the sale of that railway to Manchukuo, its doom is apparent—until such time as Russia is ready to strike to reclaim it.

The Taheiho-Tumen system means the end of the C.E.R.'s commercial prosperity, and, incidentally, the end of the Russian community in Manchukuo, which till now has largely survived on it. It means also great advantages for Japan militarily. Starting on the northwestern and ending on the eastern Siberian frontiers, its various component lines give assurance that any Russo-Japanese war of the future will open in Siberia, not Manchuria. Its fast, direct connections with Korea and Japan, and with all parts of Manchuria, will enable the system to put 50,000 Japanese troops into Eastern Siberia in twelve hours, 100,000 there within forty-eight hours.

Andante to this movement are the railways steadily crossing Jehol's mountains, from the east, and from the north, toward Chengteh, where for generations Manchu emperors kept summer court and ruled all Mongolia. In 1936, I am told, you will be able to travel in comfort deep into this long-hidden land by rail to the capital.

"So you see," exclaim Japanese bureaucrats who ecstatically describe their imperialism as a harbinger of civilization, "we are opening doors, not closing them, as your statesmen fear," Maybe. But the American's place is behind a queue of Japanese so long that by the time he gets to the portal of "equal opportunity for the commerce and industry of all nations," as prescribed by the Nine Power Treaty, he finds a grining Japanese doorman, who informs him, "Very sorry for you; opportunities all finish."

Freezing Out Foreign Business

True, he still sells his cars and trucks, increasingly in demand by the army, but most of them are now assembled in Japanese factories, which may soon make motors also, and they are marketed through Japanese dealers. He still sells his tobacco, for Japan has not yet established the monopoly planned for Manchukuo. But with plans materializing for extensive tobacco plantations in Manchukuo, few Far Eastern tobacco men are so naive as to imagine that the monopoly system will not very shortly eliminate them, as it has in Korea, Formosa and Japan itself.

Americans still dominate the oil market, but in kerosene, the most important item of the business in Manchukuo, Japanese make heavy inroads. "Discrimination aginst our products in the customs tariff," charge the Standard Oil people in explaining Japanese success. It appears that the Japanese produce, from Sakhalin shale, a kerosene of slightly lower specific gravity than American and British kerosene. Manchukuo's tariffs have been arranged so that such Japanese kerosene can enter the country for M.Y.50 a case of ten gallons, under the category of "light oil," while the American product, entering as kerosene, pays a duty of M.Y.2.75 per case.

"This so-called light oil is distributed throughout the interior in unlabeled tins," complained the manager of the Standard Oil Company to me in Mukden, "but nicely printed labels marked 'kerosene' are mailed to dealers. Pasting them on the tins is a simple business. The result is then sold in competition with the stuff it costs us M.Y.2.75 to bring into the country. Naturally, we're ruinously undersold."

A Japan Soft Answer

To complaints made by the American and British oil men, the Japanese shrug indifferent shoulders, and reply that Manchukuo is an independent state. Japan cannot interfere with her tariff autonomy. Now, if the honorable foreigners' governments were to recognize Manchukuo, such matters could speedily be adjusted by the honorable foreigners' diplomatic representatives at Hsinking. *Sodeska!*

This is the outstanding example of discrimination against foreign goods. There may be others, and there is an extraordinary amount of smuggling of Japanese products, with official sanction, but in most lines their goods need no preferential tariffs to seize the market. With the advantages of heavily depreciated yen, low production costs, and cheap transportation from near-by Japan, coupled with long-term credit and the bartering methods used, the Japanese steadily increase their trade superiority here, as well as elsewhere in Asia's East. Generally speaking, foreigners are selling nothing to Manchukuo that Japan produces, and there is precious little nowadays that she does not produce. It is estimated that our exports to Manchukuo dropped to less than $20,000,000 silver during 1933, representing a loss exceeding 30% in our sales to Manchuria, before the "incident." European countries are faring similarly.

Our trade commissioners have been withdrawn from Manchukuo, likewise those of other foreign countries. Many of the larger foreign firms have permanently closed down, admitting defeat. Japanese continue to replace them, 246 new companies having been established in Manchukuo since 1932. with a total capitalization exceeding Yen 200,000,000. Manchukuo now buys over 70% of all her imports from Japan; Chang's Manchuria used to take only about 30% of its imports from the busy islands. Japanese exports to Manchukuo for the first nine months of 1933 reached an all-time high at M.Y.275,000,000. Returns for the full year probably will show an increase of nearly 100% over the best year of the past.

And the process of Japanization is just beginning, politically as well as economically. By 1940, Japanese promise you over a *sukiyaki* dish, railways will have pushed westward from Dolonor onto the Mongolian plateau, birthplace of Jenghiz Khan, who once seriously considered turning all China back into pasture, but where today the Mongol makes his last stand to preserve his nomadic freedom. Rich in minerals, Mongolia is richer still as a cattle country, with millions of sheep to supply Japan's rapidly expanding woolen industry. By 1950? More than 1,000,000 square miles of inner Mongolia invite exploitation, with little risk of war. And then there is North China itself, and beyond it 550,000 square miles of defenseless Chinese Turkestan, to quicken the land lust of an imperialism that has yet to meet a check in its march across Asia.

"If Mr. Pu Yi becomes Emperor of Manchukuo," General Okamura said in reply to a question I asked him, "it may be difficult to reject requests from Mongol princes that we incorporate their territories under the security of this government."

"Have there been many such requests?" I asked.

"Yes, overtures have been received from the ten leading tribes of Northern Charhar. You see, the Mongol banner men were loyal to the Manchu Dynasty for centuries. Now that Pu Yi, last of the line, is being restored as ruler, they are anxious to reaffirm their loyalty. They have never trust the Chinese so-called republic."

Coronation of Pu Yi—possibly as preliminary to Japanese annexation *a la Korea*—appears to wait only for decision upon a date. Already he is being prepared for his new role. New formalities surround him, and he is more exalted than formerly. When you call on him now you are required to wear a morning coat with striped trousers, where formerly a golf suit sufficed. A kind Japanese friend volunteered to lend me the necessary tails, which I had not brought with me, and to arrange an interview, but it was explained that Pu Yi was in "meditation" for certain Confucian ceremonies, and would be unable to talk "politics." Unwilling to wait a week in Hsinking to inquire again about the chief executive's tennis game, I declined.

Many urge that the coronation take place next March, on Manchukuo's second anniversary. While Prime Minister Cheng would not commit himself to that date, he told me with certainty, "When the constitutional drafting committee returns from Japan with its report, Manchukuo will be declared a constitutional monarchy, patterned somewhat after the Japanese system." Hr fancies that millions of Chinese south of the Wall, as well as in Manchukuo, will then rally to the banner of the restored emperor.

"Besides many tribes in Chahar," he said, "more than fifteen hsien in Hopei province, below the Wall, have already petitioned for inclusion in Manchukuo. More than 40,000 Chinese at Shanhaikuan signed their names to similar petitions."

A Chinese Promised Land

Remembering that Japanese troops are stationed in districts whence these petitions come, one reflects that perhaps their origin was not entirely voluntary. More substantial evidence that the Chinese peasant still looks upon Manchuria as a land of promise is found in astounding immigration statistics, which show an increasing migration from the southland.

Despite anti-Japanese feeling in China, during the first nine months of 1933 a total of 232,098 Chinese entered through Dairen, to settle in Manchukuo. That was a net increase of 56,000 over

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the same period in 1932, an increase by 8000 over the entire twelve months for 1931. Through Yinkou, another port, came 118,066 intramural Chinese during the first five months of 1933; at this writing the only period for which statistics are available. Thousands more entered by smaller ports, by rail, or filtered across the Great Wall by foot or in carts.

Fairly reliable Japanese estimates inform me that, in all, more than 650,000 Chinese entered Manchukuo in 1933, a figure exceeded only by the historic mirgrations of 1927-29. And during the first half of last year Japan was presumably at war with China in Jehol and the northern provinces. No comprehensive statistics on this dramatic movement are available in China, but information has been collected on the subject in Ting Hsien, a research district in Hopei province. Visiting there recently, I learned that in 1930 fewer than 100 people emigrated to Manchuria, while during the first nine months of 1933 more than 6500 peasants left the district for Manchukuo. And Ting Hsien is only one of 131 *hsien*, or districts, in the province.

Why do they go? Chinese peasants are no Japophiles, but however ignorant, they are realists. They prefer to live in the new state Japan builds, rather than perish in the old one which is in collapse. Thry prefer to eat, as *Man-chu-kuo-jen*, rather than to starve as *Chung-kuo-jen*—Chinese. They go north because years of misrule under Chinese satraps have ruined them economically, and with more than 2,000,000 soldiers now living off the provinces, the land will no longer yield them a living.

It should be clear from this portrait that Manchukuo is no earthly paradise, but under the Japanese it still offers the Chinese peasant greater safety, security and opportunity than his erstwhile Middle Kingdom. And as long as that is true, Manchukuo will continue to attract Chinese, whether Pu Yi is called a puppet or the restored Son of Heaven. Moreover, it is these sturdy immigrants who may ultimately reclaim Manchuria for China. The Japanese may conquer mightily, but unless they can implant themselves in the soil, they cannot permanently hold it. In this struggle, the odds of history are against them, for no one has yet outfarmed the Chinese farmer. The secret of China's presistence is, after all, not in her culture but in her agriculture.

Pratap Sees Peril in China's Attitude After Being Deported from Canton

Raja Pratap, the Indian political adventurer and sponsor of the Japanese Pan-Asia Movement, who has just returned to Japan after an unpleasant trip to China, seems to be considerably agitated by China's attitude towards Japan and her Pan-Asianism.

Interviewed by the *Japan Advertiser* on April 18, Pratap declared that China is mentally at war with Japan and furtherance of the Pan-Asia Movement is facing great difficulties in China. He said that the Chinese are led to think that they can fight Japan and even win. "If any conflict occurs between China and Japan," he added, "a third country probably will come to usurp whatever China has today. The greatest problem which faces Oriental peoples today is to promote understanding between China and Japan."

Raja Pratap's "good" intentions had apparently been misunderstood by both the Chinese people and the Indian residents in China. He was deported from Canton and detained at Shanghai by the Chinese authorities for his surreptitious activities. While at Shanghai, he became the target of attack by the Indian Youth Society which issued a strong-worded statement, condemning his activities on behalf of the Japanese Imperialists.

Rendition of Inland Water Navigation Rights

BY PAUL K. WHANG (汪仲芳)

THE question of abolishing the privileges of inland water navigation enjoyed by foreign shipowners in China has come to the fore once again in Chinese shipping circles. In its recent identic petitions to the Ministries of Foreign Affairs and Communications, the Shanghai Shipping Association urges that when the commercial treaties with Great Britain, the United States and Japan come up for revision, the government should take advantage of the opportunity to secure the abolition of the privileges of inland water navigation enjoyed by foreign shipowners in China.

The petition also warns the government against the conclusion of agreements of reciprocity in this matter of inland water navigation because China will not be in a position, at least for many years to come, to send her vessels to ply in the inland waters of countries such as Great Britain or even Japan. It further avers that the objection that if all the foreign vessels were withdrawn from Chinese waters, Chinese shipping would be insufficient to meet the growing needs of the country is unfounded, because the fact that Chinese shipping companies have fewer vessels plying in Chinese waters than the foreign concerns is due to the fact that Chinese companies can not at present compete to advantage with the foreign. Finally it contends that the moment foreign competition is withdrawn, Chinese shipping concerns will be sure to flourish: Investments will pour in and thereby make it possible to expand the existing service.

Political Troubles Hamper Chinese Shipping

The movement for the rendition of navigation rights is not a new one. Back in the year of 1929, the Shanghai Shipping Association sent delegates to Nanking to press for the recovery of navigation rights. Dr. C. T. Wang, the then Minister of Foreign Affairs, in receiving the delegates, was quoted as saying that while he was deeply in sympathy with the Chinese shipowners, he wondered whether China would serve her own needs, if all the foreign-owned ships were pushed out of Chinese waters. In other words, Dr. Wang reminded the Chinese ship-owners that China must first develop a strong mercantile marine, before she could approach the foreign Powers for the abolition of privileges now enjoyed by foreign ship-owners in China. As a result of Dr. Wang's reminder, the promoters of that movement lost much of their enthusiasm, but evidently not all of their hopes.

The current reports of the pending revision of commercial treaties with the United States has once again renewed the enthusiasm of the promoters of that movement. With Dr. Wang's reminder still fresh in their memory, they, therefore, in the present petition, have taken special labor in refuting the objection that if all foreign vessels were withdrawn from Chinese waters, Chinese shipping would be insufficient to meet the growing needs of the country.

China, it may be recalled, signed away the first coastal trading right by allowing foreign vessels to trade in and between Canton, Amoy, Ningpo, Foochow and Shanghai by the Treaty of Nanking in 1842. Again in 1858, by the Treaty of Tientsin (with Great Britain, the United States and France), the coastal trade limit was expanded, more ports were opened and the trading of the Yangtsze River was also permitted, though it was limited to treaty ports only.

While it is devoutly wished that Chinese waters can be kept clear of ships under foreign flags, the arguments put up by the Shipping Association are, however, not at all convincing. It is true that the presence of foreign owned ships in Chinese waters has constituted a menace to the growth of Chinese shipping, but to say that the non-development of our shipping is entirely due to this menace is beside the point. It will be more correct to say that competition from foreign ship-owners is one of the many causes which have kept Chinese shipping in the present infant state.

As a matter of fact, the non-development of Chinese shipping is due not so much to the foreign competition as to the political unstability and lack of government assistance. The recurrence of civil strife has necessitated the government once and again to commandeer the merchant ships for the purpose of transporting soldiers and ammunitions, thereby frequently disrupting the Chinese shipping service. The foreign ships on the other hand, have been immune from being commandeered for military service, and oftentimes under the protection of their warships, they have been able to maintain their service without interruption during the troubled times. This political unstability has very much hampered the growth of the Chinese shipping industry, but incidentally provided an impetus to the foreign ship-owners for the expansion of their interests.

The recent Fukien Rebellion is a good example to illustrate this point. During the time when Fukien was in the hands of rebellious leaders, the shipping srevices to and from Fukien ports except those owned by the foreign interests were totally suspended. Many of the ships were commandeered by the government for military service. Although the Fukien situation has been long liquidated, a few of the merchant ships at the time of writing this article are still being detained by the government.

Again, the government, while professing to be anxious to see the development of the shipping industry, has not yet seen the importance of granting subsidies to Chinese ship-owners. In foreign countries such as Great Britain and the United States where shipping has been extensively developed, the ship-owners have still received subsidies from their respective governments. Our shipping industry is yet at its infant stage, and therefore the ship-owners naturally need the government assistance the most.

Because of the political unstability and govenrment indifference, the Chinese ship-owners can barely maintain a fleet of old and obsolete ships to ply in Chinese waters. At present, the total tonnage owned by Chinese interests is about 750,000 tons. But this can only supply one-third of the total requirement of our coastal and river trade. The foreign-owned ships control two-third of our domestic trade.

It is evident that with a fleet of old and obsolete ships, Chinese ship-owners have been in a very disadvantageous position to compete with foreign ship-owners who have constantly replaced the old ships with new ones. In this connection, it may be said that had the Chinese public shown more patriotism in patronizing the Chinese shipping service, the Chinese ship-owners have still a chance of overcoming their disadvantages to compete with foreign interests. But what concerns the Chinese people is not who operates the ships, but who can give the best service.

A Program for Gradual Elimination

It must be further added that so long as the present unfavorable conditions prevail, even if the foreign competition can be eliminated, Chinese shipping companies can not flourish and Chinese public will not put their investments in shipping business. Suffice it to say that unless the political situation settles down and the merchants ships can be operated without molestation, the investing public will not consider it a good business proposition by investing their money in the shipping business.

It seems to me that it is useless to waste our efforts at present in conducting any movement for the recovery of our lost navigation rights, because the foreign Powers concerned are not likely to yield to our demands without a fight. In view of the expected resistance put up by the foreign Powers and the tardiness of diplomatic procedure, we are safe to say that after, say, five or ten years of negotiation, we may be literally in the same position as we are now. In the meantime, the foreign shipping interests may be further expanded at the expenses of Chinese shipowners.

Therefore before demanding the abolition of these privileges all at one time, we had better work out with the Powers concerned some modus vivendi through which the foreign shipping firms which have now been privileged to operate ships in Chinese waters will lose their privileges gradually but automatically. What I have in mind is a program consisting of the following measures:

First of all, henceforth no new foreign shipping firms which will operate ships on Chinese waters will be permitted to come into existence. Secondly, those which have already established their business must have their respective tonnages registered and henceforth no increase of the registered tonnages will be permitted. It should be further provided that when the ships become old and obsolete, no new ships will be permitted to replace them. Through this restriction, the total tonnage of foreign ships will be lessened gradually but naturally. And thirdly, henceforth no new navigation lines will be permitted to be opened up by foreign shipping firms.

By means of these restrictions, we have no more fear that the influence of foreign shipping firms can be further expanded. While admittedly my program is a slow one, it, nevertheless, complies with the needs of the present situation. With the gradual diminution of foreign tonnage, we can proportionately increase our own to make up the difference, and after five or ten years, we can be in a position to serve the needs of our commerce when the last foreign tonnage is eliminated from the Chinese waters. Through this gradual transfer, so to speak, we do not need a big capital all at one time to build up our shipping industry, and we expand our work step by step systematically and consistently. Therefore in the long run, this slow program may bring us a more quick and successful result than to demand the rendition of navigation rights all at one time.

Shanghai, May 1, 1934.

Chinese Athletes Depart for Manila Olympic

The Chinese delegates to the Far Eastern Olympic Games at Manila were due to sail from Shanghai on the Dollar liner *President McKinley* May 3. About 50 picked athletes boarded the steamer in the morning for Hongkong where they will pick up another group of athletes, including the football team members. The Far Eastern Olympic Games will be opened on May 12. Mayor Wu Te-chen presided over a function May 2 at the Chinese Y. M. C. A. building, Boulevard de Montigny, when he handed over China's national flag to the delegation.

Japanese Team Enroute to Manila

The Japanese athletic delegation to the Manila Far Eastern Olympic games comprising 7 athletic associations in Japan, left Kobe for Manila at April 29 in the specially chartered steamer *Heiyo Maru*.

Expressions of opposition to Japan's participation to the Manila Games took various forms. The representatives from Meiji University were approached by the representativies of the University, on board the ship, asking them to decide to withdraw from the Japanese Delegation on pain of being expelled from the school or struck off the list of students. The students ignored the threat.

A group of thugs, brandishing sticks, created a row at the Sportsmen's Hotel in the night of April 27 where the Japanese Olympic athletes practiced prior to their departure for Manila. A previous incident occurred on April 25 when a group of roughs assaulted the athletes at their lodgings and wounded some of them. In this last attack five rowdies intruded into the premises of the Sportsmen's Hotel and created confusion by brandishing clubs. Three of the intruders were put under arrest.

The Athletic Union composed of students in Waseda University, a private higher educational institution in Tokyo, April 30 decided to withdraw from the Kanto Students' Sports Association. The withdrawal from the athletic body was recognized by Dr. Tadaoki Yamamoto, Head of the Waseda Athletic Union, who also tendered his resignation to the Kanto Athletic Federation to quit his post of President of the Kanto Students' Sports Association. This was a sequel to a series of unsavory events in connection with protests against the participation of Japan in the Manila athletic meet.

A joint meeting of members and old boys of the Rowing Section of the Waseda University April 27 issued a statement, opposing the Japanese particiption in the Far Eastern Olympiad in Manila and advising the representative athletes from the University to resign.

Chinese to Publish Year Book to Compete With Woodhead

Work on the first China Year Book written and edited by Chinese, but printed in the English language, has been begun by Dr. Tsai Yuen pei, Li Shin-tseng, members of the Kuomintang Central Committee, Sze Liang-tsai, publisher of *Shun Pao*, and L. T. Chen, secretary-general of the Chinese Y.M.C.A. The Year Bork will be published by an organization known as the "English China Year Book Society." Announcement from the society state that that book will contain more than 1,400,000 words. The book announcement is issued with a view to competing with the China Year Book edited by H G. W. Woodhead, who originated the China Year Book while editor of *The Peking and Tientsin Times*, in Tientsin. The Chinese feel that Mr Woodhead does not show sufficient sympathy for modern China in his work.

Settlement Court Judge Transfers Omnibus Case to Nantao

Judge Wu Chih-han of the First Special District Court gave a decision April 28 in connection with the recent incident in Connaught road when a British-owned (C.G.O.) omnibus killed a Chinese cyclist, that the Settlement Chinese court had no jurisdiction over the private criminal case brought by the killed cyclist's father against the bus company chauffeur and instructed that the case be transferred to the Nantao District Court for trial. As regards the question of jurisdiction, Judge Wu said he had visited the scene of the accident and found it had occurred on an "outside road." In accordance with the Rendition Agreement provisions, Judge Wu continued, only "mixed cases" namely, cases involving foreigners, that had occurred on outside roads would be accepted by his Court for hearing. As both parties in this case were Chinese, the case should be dealt with by the Nantao District Court.

"Everyone remarks, 'What a *pretty* baby'"
"WHAT they really mean is *healthy* baby. All babies are attractive but a healthy, robust child like ours always invites admiration. Most women—even mothers—don't realize that careful feeding is what gives Baby that happy, carefree expression.
"WHEN our youngster was three months old—that critical period when *everything* depends on the right food for weaning—the doctor told me to feed him Quaker Oats gruel. He said it would help build bones and muscle—enrich the blood—that it would give Baby a real start in life.
"IT CERTAINLY has done that—and Baby loved it from the start. He's beginning to walk now and, my, such strength in those little legs. I feed him Quaker Oats porridge now—he never seems to get enough of it. Yes, he *is* a pretty baby but first a *healthy* baby, thanks to Quaker Oats."

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Quaker Oats

D-5

Sino-Japanese Relations Are Improving in the Eyes of the Japanese

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from Various Japanese Publications)

DURING the month of March and the beginning of April the news regarding the newly created "Manchu Tikuo," especially the visit to Japan of the special envoys, and the Hirota-Hull exchange of messages were perhaps the most sensational topics discussed in the Japanese press in so far as Japan's foreign relations are concerned. Probably, being overshadowed by these elaborate demonstrations, comparatively little was reported or commented upon regarding the general development of the situation in China during the month of March. As the fervor cooled down and normal situation restored, however, Chinese questions centering around Rajchman's return to Geneva, the financial situation in China, the opening of the Nanchang Conference and Minister Ariyoshi's being called back, began to assume prominence.

Generally speaking, as is evident from the translations given below it can be said that the general movement in China is regarded by the Japanese as testifying to, or contributory to, the reestablishment of Sino-Japanese friendship, and the people in general seem to entertain no serious misgivings as to the relations between the two countries in the immediate future. The following are translations from responsible Japanese publications showing the existing Sino-Japanese relations viewed from various angles from the standpoint of the Japanese. (In recent months leading magazines made little or no comment on affairs in China proper).

Dr. Rajchman's Return To Geneva

Osaka Asahi, April 8 (Shanghai dispatch) :—The reported return to Europe of Dr. Rajchman in consequence of his having lost hope for giving effective support to China has proved a misrepresentation of the truth of the affair. He is returning to Geneva with a view to reporting to the League Council on the development of the economic construction in China and the fact that what makes it difficult to reconstruct China is no other than the lack of sufficient funds; and the Doctor will return to his China post after fulfilling his mission of persuading the League's member states to participate in the investment. The reported creation of the Chungkuo Bank is an outcome of a Soong-Rajchman talk. The realization of this project is being speeded up in order to make it an organ for the importation of foreign capital."

The *Tokyo Nichi Nichi* (Editorial, March 28) :—The realities of the international political situation that moved around Nippon and Manchukuo dealt a crushing blow to Dr. Rajchman, Soong and all those believing in the omnipotency of the League and looking at the Far East from far off Geneva through smoked glasses. Whether the return home of Dr. Rajchman may be traced to his despair of accomplishing anything in China, or to the collapse of the means of carrying out his anti-Nippon work by the fall of Dr. Soong, will not be taken up here. At any rate, the fact that he is going home, having given up hope for China, is one proof that the so-called "anti-Nipponism" runs counter to the actual trend of the times. Sir Arthur Salter, a well known authority on economics who was dispatched to China some time ago by the League, is reported as stating that any joint work between China and the League is impossible without the cooperation of Nippon. To us who have been emphasizing that the cooperation of Nippon, China and Manchukuo is imperative for the maintenance of peace in the Orient, what Sir Arthur has stated is nothing new, but quite natural. But for unprincipled persons who nonchalantly advocate or insist on an anti-Nippon campaign this remark by Sir Arthur Salter must prove a good antidote. The apparent worry that is manifested by the League that passed the non-recognition resolution in the face of the rising tendency among the powers for recognition of Mnchukuo, is eloquent proof that the resolution for non-recognition was weak, in principle.

The Reduced Cotton-Wheat Loan

The *Osaka Mainichi* and the *Tokyo Nichi Nichi* (March 28), editorially commented on the bearing of the reduced cotton-wheat loan upon the Sino-Japanese cooperation as follows: "With reference to the cotton-wheat loan raised in America, which was hailed as a great success for Dr. Soong, it is altogether too ironical that it has been found "unabsorbable because of the bumper crop in China, and is oppressing the Chinese producers." In spite of the declaration that the loan would be devoted to constructive economic plans and the relief of the agrarian population, that it was transferred to the fund for the anti-Nippon campaign is well known to all. And that this loan, for the reasons stated above, coupled with the fall of Dr. Soong, has been reduced from $50,000,000 to $20,000,000 is a most pleasant fact, we believe, foreshadowing the cooperation of Japan, China and Manchukuo that will eventually come.

The Nanchang Conference

Since toward the end of March the report on the opening of Nanchang conference was given prominence in all the principal papers giving rise to various speculations as to the progress and result of the parley. To cite a few examples from leading newspapers in Tokyo and Osaka, the *Yomiuri* said on April 10, "It is expected that through the conference the attitude of the Kuomin Government toward Japan will improve in her favor". A *Rengo* despatch from Nanking on April 10 stated "Little hope is entertained in diplomatic circles here that any material result will come from the conference of Nanchang, as it was resolved last autumn that the Central Political Council should vote on the question of mail service and railway traffic between Manchukuo and China through the Great Wall. If, moreover, Mr. Huang persists in broaching this question, the violent opposition of the Sun Fo faction would make Mr. Huang's resignation inevitable, it is surmised in well informed quarters." The *Hochi* (April 10) said it is a question how W.W. Yen's proposal to cooperate with Soviet Russia and other such questions will be dealt with at the conference. The *Osaka Mainichi* Nanking representative said that at the Huang Fu-chiang-Kai-shek talk at Nanchang on April 7 the General concurred with the policy advocated by Huang Fu, on the whole. A *Hochi* special despatch from Shanghai dated April 7 stated, "The interview between Chiang Kai-shek and Huang Fu at Nanchang suddenly touched on China's Japan and Manchukuo policy and it seems a tangled situation is developing. It is reported a general outcry has arisen that China should assume stronger attitude toward Japan, for the Japanese army are resorting to various means in North China to complete Nippon's Continental policy for the purpose of providing against Soviet Russia and consequently the longer Manchukuo subsists the shorter would be the life of North China. The cry is pressing Gen. Chiang to translate it into action, it is understood."

On April 14 all papers reported that Huang Fu's power to approach Japan was greatly augmented at the conference which closed on April 13. Observations by the four leading vernacular papers follow.

The Tokyo Nichi Nichi and Osaka Mainichi, April 14. It is expected that through the expansion of the power in the hands of Huang Fu the result of the Nanchang conference has thrown light upon the way to the improvement of China's relations with Japan. Among the big three an agreement is thought to have been reached (1) that the postal question should be postponed, (2) that the railway question whould be left to the discretion of the Peiping-Mukden railway bureau, (3) that Huang Fu's power will be augmented as much as possible since North China is in close contact with Japan. The conference was focused on one difficult point, it was said. With regard to the postal and railway questions it was necessary for them to consider the Japanese demand as far as possible as a matter of diplomatic policy, while it was equally necessary for them to satisfy the factions inimical to them. Experts feel that one false step would have caused an upheaval within the ranks of the Nanking Government. Future developments are watched with keen interest in all quarters.

The Tokyo and Osaka Asahi, April 14.—It is surmised that the Nanchang conference of the Sino-Japanese question arrived at the following decision: The existing situation of China is such that she has been forsaken by the League of Nations and in view of the unsuccessful development of the cotton-wheat loan she can no longer rely upon the United States, whereas Japan through her successful cooperative diplomacy is promoting her friendly relations with America and Soviet Russia. Under such circumstances it is imperative for China to quit her old policy of playing one barbarian against another and to advance a step further toward bettering relations with Japan. It is decided that the pending Sino-Japanese questions in North China will be solved based on this fundamental principle. As a practical measure it is decided that Huang Fu will be given freer rein and that the pending Sino-Japanese issues in North China will be dealt with as local questions. At the Legislative Yuan an emergency meeting was held on April 13, at which many insisted on assuming a strong front against Japan; Sun Fo's faction is expected to continue agitation and a political upheaval is anticipated.

The Tokyo Nichi Nichi and Osaka Mainichi, April 13 (Editorial comments written before the closure of the conference was reported): The result of the Nanchang conference will be worthy of serious attention because China has come to a parting of the ways where she must decide whether she will reconstruct her diplomatic policy toward Japan or continue the present camouflage of opposing on the one hand and negotiating on the other. Huang Fu is understood

to have come south to solve pending problems in North China, and to that end a radical readjustment of China's diplomatic policy toward Japan will be necessary, eventually making it also necessary to correct China's erroneous diplomacy toward the world at large. Since assuming the political authority in North China with his wise policy Huang Fu has made the situation in North China as favorable as we see it today. We are heartily grateful for his efforts. Despite Japan's having acted up to the spirit of the truce agreement, China has made no attempt to clear up the problems the solution of which is called for by the truce agreement, adopting the attitude that solution would virtually amount to China's recognition of Manchukuo. This shows a serious lack of comprehension. Confident that Huang Fu's program is most appropriate, we support his idea and hope he will succeed. The attitude of the leaders of the Nanking government is hazy, for they are drifting with the current tide of domestic issues. The anti-Japanese tendency in China has been greatly moderated and it is reported that she is revealing quite a favorable stand toward Japan. As the principal reasons for this new attitude of China we may point out her disappointment with the League; the exchange of personal messages between Foreign Minister Hirota and Cordell Hull; and the fact that the Soviet-Japanese relations are showing hopeful signs of amity. However, because of many domestic reasons Gen. Chiang dexterously built up his position, holding the reins of the two horses of anti-and pro-Japan, in spite of the fact that he clearly sees the need of smoothing up the relations with Japan, not only for the good of the two countries but also for the welfare of the Far East. If such a pro-Japanese influence as that of the North China authority is established in all key points of China, Nanking's pro-Japanese turn may not be altogether hopeless. While we support the attitude of Huang Fu we hope our leaders will make efforts to extend the pro-Japanese influence in China.

Tokyo and Osaka Asahi, April 15 (*Editorial comments*):—It is reported that the Nanchang conference has ended in the augmentation of Huang Fu's authority, in view of China's unfavorable international position and the consequent need for quitting her traditional policy of playing one barbarian against another and for improving Sino-Japanese relations. Though it is a question whether she has realized her position so seriously, yet if the reported decision reached at the conference can be trusted, it is apparent that a gleam of hope has appeared for the reconstruction of Sino-Japanese relations. The pending issues of through railway traffic and mail service and creation of custom houses must have been speedily settled up by virtue of the Tangku truce agreement had there not been voices raised against them among Nanking's leaders. Similar objection was made among them during the session of the Nanchang conference condemning the attempt at solving the mail and railway problems when the Manchurian question is expected to be brought up before the second Washington conference for discussion. That Chiang and Wang turned a deaf ear to such an empty hope is but natural. It is the conclusion of the truce agreement that has brought about peace in North China, as was pointed out by Peiping Milirary attache Shibayama. It was no other than in consideration of special conditions in China that the conclusion of the truce agreement was regarded as unavoidable. For the welfare of the inhabitants in North China the solution of the pending problems such as through railway traffic and mail service are of urgent need and they are placed in the same position as that of the truce agreement which was realized separately from the question of the recognition of Manchukuo. To conclude the truce agreement and leave the pending questions unattended to is tantamount to trying to purposefully disturb the peace in North China and to studiously sowing the seed of disturbance. As regards the progress of the Nanchang conference no concrete report is yet to hand, but it is gathered that Huang Fu's Japan policy has been recognized by Chiang Kai-shek and Wang Ching-wei, and it is expected they will continue the attempt at regulating Sino-Japanese relations. But considering that they drift at the mercy of the domestic current we cannot but feel misgivings as to how far the reported decision will be carried into effect. Everything depends upon this one point.

General Political Situation Criticized

Jiji Shimpo, April 4 (*Editorial comments*).—Having saved the situation in North China after the conclusion of the truce agreement Huang Fu's authority is regarded as of great importance by the Nanking Government. In view of Gen. Chiang's changed attitude toward Japan as evidenced by his despatching groups of educationalists, to Japan to make them study her spiritual and cultural attainment we feel we may expect the advent of a period of friendly relations between China and Japan never experienced in recent years. What made China alter her attitude this time, was among others, her realization of the value of the League of Nations. It is reported that Dr. Rajchman and other experts from the League, after repeated failure in their enterprises in China, have decided to wash their hands of the work and return to Geneva. Thr League has at last come to realize its wrong view of China, while the state of Manchukuo is making steady progress, so much so that some of the Chinese capitalists now favor investing in Manchukuo before doing same in their own country. This fact destroys the dream of the League of Nations. We are glad to think that this will enlighten the League upon the actual state of China, and that the unsavory development of the loan question will prove an impetus to realize the folly of relying too much upon Western nations and to bring the Chinese

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people back to the spirit of self-help. Since the League's valuation of China has already changed, the Chinese are advised to take this chance to renew the recognition of their own country and stand up to help themselves. We are confident that the Nanking Government is too wise to lose sight of the fact that situations in North China which were so helplessly complicated, have been successfully saved thanks to Huang Fu's enthusiastic efforts both China and Japan attended to the task of peace establishments.

"Cunning Simulation"

Osaka Mainichi and Tokyo Nichi Nichi (*By Bunroku Yoshioka*, 吉岡文六), *Shanghai, April* 4.—It appears that in Japan people think that Nanking's attitude has been greatly ameliorated and even that both Wang and Huang are endeavoring to that end, but there is no sign of pro-Japanese sentiment within theNanking Government, and even the diplomatic officials here are unable to discern the true nature of Nanking's pro-Japanese gesture. Mr. Wang is a master simulator. China's attitude toward Japan today depends entirely on what development the Soviet-Japanese relations will make in the future. Referring to his basic principle of "resistance on the one hand and negotiations on the other" Wang Ching-wei once told me, "This principle means that if Nippon invades China we resist the invasion, but if Japan shows sincerity we are ready to negotiate." He is particularly nice to Japanese officials in China but that is not accompanied by any substantial deed. It is true that the Nanking Government is at present obliged to "simulate an amelioration of its attitude toward Japan. All the attempts at utilizing League's power and service have proved a failure, while the exchange of notes between Hirota and Cordell Hull came to pass. As it has been Nanking's invariable policy to bring about a strained situation between Washington and Tokyo thereby to check the latter, the Hull-Hirota exchange of greetings greatly disappointed Nanking. Another thing that irritates Nanking is the fact that the attitude of the principal powers of the world toward Manchukuo has been mitigated and that the Manchu Empire's recognition is urged in some circles. China today is experiencing joy and sorrow in quick succession, depending upon the attitude of Soviet Russia's attitude toward Japan. Because of Gen. Chiang's communist subjugation, which to him is a matter of life and death, Nanking is extremely cautious at present not to get into trouble with Japan. The master simulator, Wang Ching-wei, in one of the recent memorial meetings of the National Government, declared that "China's neighbor" had the strength to lead the republic into destruction, and that all must rehabilitate the republic even at the cost of their lives. There is no denying that Mr. Wang regards Japan as an enemy, even today. To think that Nanking's attitude toward Nippon has been ameliorated is the result of superficial observation of the actual situation. It is cunning simulation and nothing else.

Ariyoshi's Activities

The question of Hirota's calling back Ariyoshi was given prominence in all the newspapers, since toward the end of March unti the Huang Fu-Ariyoshi interview was reported, on April 18. All papers agreed in the view that in order to take full advantage of the improving Sino-Japanese relations Foreign Minister Hirota is determined to replace the attitude of watchful waiting with positive, constructive policy and for this puprose he is going to summon Minister Ariyoshi either at the end of April or the beginning of May (*Jiji* and *Yomiuri*, April 11). The April 11 issue of the *Hochi* stated concerning the return home of Ariyoshi, "To report to the Foreign Minister the existing situation in China Mr. Ishii, Consul-General in Shanghai, remarked on board the Shanghai-maru in sum as follows: 'I am not returning home with such an important mission as is rumored; only I expect to see the Foreign Minister to pay my respects. It is true that the Sino-Japanese relations have greatly improved of late. The fact that the Chinese attitude toward Japan began showing prudence and that the desire to study Japan in real earnest has sprung up among the Chinese endorses this improving tendency. To make a radical turn at this opportune moment will mean no meagre benefit not only to Japan but also to China herself'."

Later, on April 18 all papers reported the much-fussed-about Huang Fu-Ariyoshi interview at Shanghai as if a long drawn out battle has come to an end, but no comment was made.

Canada Guarantees the C. P. R. For $60,000,000

An article in the April 2 issue of *Time* gives details of how the Rt. Hon. Richard Bedford Bennett, Prime Minister of Canada, last Spring in an informal letter to the Bank of Montreal promised a Government guarantee for a loan to the Canadian Pacific Railway in the sum of $60,000,000. The necessary Order in Council formally conforming the guarantee was not issued until six months later. Questioned before a House of Commons Committee, the Premier testified that there was nothing sinister in his actions, that he had no C. P. R. securities and that he merely used his broad powers under the Emergency Relief Act. *Time* points out that similar delay, if it should occur in the United States in making such a transaction public, would cause a furore. In Canada there was hardly a ripple. The Canadian Government thus secures a heavy lien on the Canadian Pacific railway. It already owns the Canadian National, which operated last year at a deficit of $52,000,000.

U. S. Foreign Trade Improves in March

The foreign trade of the United States increased sharply in March. Exports during the month totalled U S.$190,000,000, compared with an aggregate value of U.S.$163,000,000 in February, while March general imports amounted to U.S.$158,000,000, as against U.S.$133,000,000 worth of imports in the preceding month, according to statistics, compiled by the Bureau of Foreign and Domestic Commeree. The balance of trade in favor of the United States was approximately U. S. $32,000,000.

The Senate Banking Committee April 28 favorably on the Glass Bill which authorizes the Federal Reserve Banks to extend credit to private industry.

President Roosevelt April 28 signed the bill authorizing a Government guarantee of the principal and interest of the U.S. $2,000,000,000 Home Owners Loan Corporation Bonds.

President Roosevelt has also signed the Costigan Sugar Bill, which restricts production of beet sugar within the continental United States to 1,500,000 tons and cane sugar to 260,000 tons.

It is reported that President Roosevelt intends to use U.S.$50,-000,000 from the public works fund for the construction of submarines and destroyers. The *Washington Star* writes that the events in the Far East more than ever justify the policy of the Navy Department, which is concentrating the Navy in the Pacific.

The Federal Trade Commission April 27 authorized the liberalization of the 1933 Securities Act for the purpose of encouraging a boom in gold and silver prospecting in the west. The new order exempts from the penal provisions of the act companies floating U.S.$100,000 or less of securities annually. These companies will be permitted to sell stock at any par value and use a maximum of 35 per cent of the proceeds for promotion.

Exhibits of Japanese pencils costing 22 cents a gross, which cost three times that sum to produce in the United States, were used as an argument May 1 in the debate of the Finance Committee of the Senate on the Tariff Bill. Col. Henry L. Stimson, former Secretary of State, is giving his support to the Roosevelt-Hull reciprocal tariff measure.

Seven hundred men caught by the police in the act of watching dances considered as obscene by officers of the law, were arrested in New York April 28 in the course of performances held at two different plances.

All Liquor Quotas Lifted for Four Months

The Federal Alcohol Administration has lifted all liquor quotas for four months, starting on May 1. The liquor revenues for March totalled U.S.$28.320,923, establishing drinking as one of the four financial pillars on which President Roosevelt's recovery programme rests.

Japanese Steamer Seized at Los Angeles for Alleged Non-Payment of Income Taxes

As a means of collecting $420,000 alleged unpaid income taxes, the Los Angeles customs authorities April 25 seized the Tokyo Kaisha ss *Toyo Maru*, en route to New York, with a cargo of silk valued at $750,000. The action was predicated upon a claim for $420,000 income taxes which the United States alleges the T. K. K. did not pay during the period, 1917-1919.

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President Roosevelt's Plan to Aid Silver

A telegram from Washington, April 27 stated that President Roosevelt is unalterably opposed to any mandatory silver legislation, but is desirous, of gradually reinstating silver to a point where 30 per cent of the nation's money will be backed by silver and 70 percent by gold, instead of the present 12 per cent silver back. President Roosevelt also reiterated his opposition to the Goldsborough Bill, which would establish a Federal Monetary Authority to take over the currency issuing operations of the Federal Reserve System.

Gold Bars Rise—Silver Declines Heavily

The advocates of silver legislation in the United States during the week admitted that they could see no hopes of securing any legislation to aid the white metal during the present session of Congress. As a result large amounts of silver held throughout the world, and particularly in the United States, have been thrown on the market. Prices of silver dropped heavily during the week, and this together with heavy gold speculation in Hongkong, where there is a free gold market, drove up the price of gold bars in Shanghai May 1 to $1082, an increase of almost ten per cent on rates obtaining about a week previously.

Richard Washburn Child Says Japanese Lower World Standard

Japan's commercial rivalry ultimately may result in a lower standard of living throughout the world, Richard Washburn Child, American diplomat, stated in London April 29. Mr. Child revealed in the interview that the investigation of Japanese trade competition was one of the important objectives of his European sojourn. He said he had gone into the topic thoroughly with British experts.

"Morphine King" Seized with the Goods on Him

Huang Ling-chi, 29-year-old alleged drug ring chief with the nickname "Morphine King," was arrested by officers of the Public Safety Bureau at Tsaochi Road, near Tsaohokin, western Shanghai, April 29, with several women. Twelve packages and 10 bottles of morphine were seized in the car in which he was travelling with the women. Huang and his party were handed over to the Nantao Headquarters of the bureau for further investigation.

By order of General Chiang Kai-shek, all opium dens in Hankow must be closed down this month.

The Executive Yuan has appointed Dr. Hu Shih-tse, (Victor Hoo) as Chinese Delegate to the forthcoming 18th annual session of the Opium Advisory Conference of the League of Nations, in accordance with the petition of Dr. H. Heng Liu, Chairman of the National Opium-suppression Committee.

B.A.T. to Open Factory in Newchwang

The British-American Tobacco Co. has decided to commence operating its new factory in Newchwang during this month. The plant was erected some time ago. Three Japanese experts in the employ of the Company arrived in Newchwang recently from Shanghai and Tsingtao to make the necessary preparations for its operation.

In a communication to the Shanghai Chinese Rolled Tobacco Merchants Guild, the Internal Revenue Administration April 23 strictly prohibited the establishment of new tobacco factories in areas outside of Shanghai, Hankow, Tientsin and Tsingtao. Those factories already established in regions outside the above-mentioned four cities must be removed within three years, the communication stated.

Anti-Cigarette Movement Spreads in Chekiang

A Hangchow message in the *Shun Pao* April 25 stated that the anti-cigarette movement is spreading in Chekiang following the inauguration of the "New Life" movement. The Chekiang Provincial Government has issued a circular order to all its subordinate organizations instructing that no civil officials in the province be allowed to smoke and those who have the habit of smoking cigarettees to stop at once. Colored placards are now being pasted on walls containing anti-cigarette smoking slogans.

As a habit-reforming tonic, the New Life Movement, sponsored by General Chiang Kai-shek, is (according to *Chekiai*) showing remarkable effects upon the life of the people in Nanchang. Among the many canons of the movement, perhaps none is more strictly and conscientiously observed than the discouragement of the habit of smoking. According to a latest investigation, since the inauguration of the Movement, the cigarette business, which used to be one of most popular trades, has fallen by two-thirds compared with several months ago. It has been found that many officials in the Government and the population in general are rapidly discarding the habit and began ceasing to patronize the cigarette dealers.

Cigarette-smoking by students is frowned upon by the Ministry of Education. No student should be allowed to smoke, a recent circular order of the Ministry to Provincial Departments of Education stated.

Nanking University Receives Gifts from National Government

The University of Nanking has received from the National Government, Yuan 100,000 in Customs bonds of the 23rd year of the Republic, for the construction and maintenance of a library. The University has also received from the Cotton Industry Commission of the National Economic Council a promise of 10,000 yuan for a nine months training course in Cotton Cooperatives at the University, and for a winter conference on cooperatives which will be held for three weeks.

Second Oratorical Contest Held at University of Nanking

The second annual oratorical contest of the East China Colleges and Universities was held in Sage Chapel of the University of Nanking April 21. Eight colleges are members of the Association. Each college or university was represented by two speakers with the exception of Kwang Hwa University, which had one delegate. The first prize was won by a student from Central University. The second prize was son by Pi Tzong-gang of the University of Nanking, his subject being "The Hero"; and the third prize by Chu Pei-hung, of the same University, his subject being "1936 and the College Student". The first prize for the team was given to the University of Nanking and second prize to Central University, with Ginling College third. Dr. Y. G. Chen, President of the University of Nanking, presided. Prizes were given out by Dr. Y. F. Wu, President of Ginling College.

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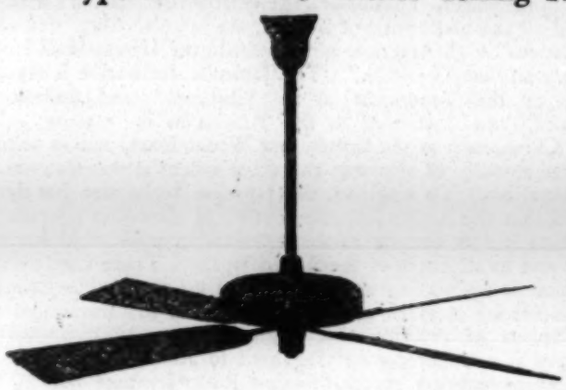

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China, the Foreign Powers and Tokyo's "Hands Off" Declaration

BY C. Y. W. MENG (孟 慶 基)

THE Japanese declaration on "hands-off-China" issued on April 17 came as a bombshell to all capitals throughout the world. To America, the Japanese declaration has nullified all the past efforts of Mr. Hirota in cultivating "friendly relations" with America, and has made the Hirota-Hull Notes truly an "empty-bottle." The Japanese declaration is regarded by the Americans as an "indirect" and underhand attack" and "warning to the Americans in making loans to China, such as the Cotton and Wheat Loan, and in selling large amounts of airplanes and other potential war material to China, etc. To England, the Japanese declaration has signified that the Anglo-Japanese conflict of economic interests in China is now coming to the culminating point, and has put an end to all hopes of the Anglo-Japanese Trade Conference, which is attempting to settle and adjust the Anglo-Japanese commercial interests in the Far East. It has also sealed all prospects of reviving the Anglo-Japanese Alliance—which Japan is undoubtedly striving hard to attain, in view of the immient outbreak of the "Second Russo-Japanese war." To Russia, the declaration is undoubtedly a "direct challenge" to Moscow; for Japan is always fearing that Moscow and Nanking might join hands to wage war against Japan, so Japan has warned the powers "hands-off of China."

"Undesirable" Consequences of Tokyo's Declaration

Since his assumption of office as the Minister of Foreign Affairs Mr. Hirota's plan is essentially to abandon the "isolation" policy, as a result of Japanese secession from the League of Nations, and he has been quite successful. But the recent declaration has put all his efforts in jeopardy. At first, the Japanese military actions in North China always had the sympathy of the French Government, and at one time it was even reported that there were some secret understandings between Japan and France about the situation in the Far East. But Hirota's efforts in having better and close relations with Germany (both of them are secessionists from the League of Nations) in their opposition against the Russians, with whom the French have just concluded a non-aggression pact, have also proved not agreeable to the French. So the present Franco-Japanese feeling is no longer as cordial as before. That is to say, through many "mistaken" moves, Japan has again isolated herself from the world.

Washington's "Late" Action Regretted

In the time when these lines are written, the British Government has already sent a note to Tokyo asking for an "explanation" of their declaration, while Washington is only "thinking" to send another note to Tokyo. Italy is also reported to be seriously concerned with the Japanese declaration.

In this connection, we, the Chinese, could not but express our great disappointment in not seeing Washington taking quick action and the initiative in sending a sharp note to Tokyo demanding an explanation, before London did so! For what reason, Washington has delayed such action, and for what reason Washington is willing to let Great Britain take the initiative and lead in opposing the Japanese action in China, we could never understand. At any rate, the Chinese circles have always expressed their great disappointment.

Anglo-American Co-operation Urged

During the Japanese military action in North China, though America did not take any substantive action, the American "notes," such as the "non-recognition" note, did prove a blocking stone to the Japanese aggression in China. We always remember how the Japanese were alway very apprehensive of the Anglo-American co-operation or common action. Whenever there was a possibility of the formation of Anglo-American co-operation, the Japanese professional propagandists, diplomats and officials were at once at work in the foreign capital with a view to removing "misunderstandings," etc. This is because Tokyo is not afraid of Washington or London when they act independently, but they are quite dismayed if Washington and London would join in taking some action. In studying the situation in the past, the Chinese realized (1) how the non-co-operation between Washington and London had helped and resulted in extending the Japanese military action from Manchuria to Shanghai, for as soon as the Japanese discovered that Washington and London would not cooperate to save the situation, Japan had a "free hand" in China; (2) how the Japanese before taking any action in any part of China to further their conquest always first made sure that there was no Anglo-American co-operation to block their way; (3) how effective it was in improving the whole situation if Washington and London once cooperated, as evidenced by the fact that one understanding reached between Washington and London was sufficient to cause the Japanese to stop their military operations in Shanghai; and lastly, (4) how the Anglo-American co-operation really held the key to the whole situation in the Far East. But here is another chance for the Anglo-American cooperation to save the Far Eastern situation which has much to do with the world peace.

A Joint Note to Japan Suggested

So our first impression is that if the powers are only to act independently to present separate notes to Japan, Japan would consider them just a "scrap of paper" to be thrown into the basket at once. After a short period, when the Japanese discover that the "anger among the powers," as created by their declaration is somewhat cooled down, the Japanese would go on with their military action in China as usual. So long as the powers take no "substantive" action, they could hardly make the invaders bow down before world public opinion. On the contrary, such fragmentary and independent actions of the foreign powers only demonstrate before the Japanese that there is no unity and co-operation among the powers in their opposition against Japan, and that there is an ample opportunity for Japan to "split off" the powers or to "play-off" one power against the other, thus facilitating the Japanese aggression. So we suggest that if the powers ever intend to save the critical situation in the Far East, it is not the American action nor the British action that would be sufficient to save the whole situation, but the "concerted actions" by the powers that would dishearten the invaders and would ultimately cause them to lay down their arms to acknowledge their past faults.

Japan has now openly blamed everybody in the world. It is up to us to first give her a "joint note" or "warning.", followed up by a demonstration of military forces on both sides of theAlantic and Pacific oceans. Such action does not necessarily mean a war against Japan but it would have the very effect of saving the critical situation in the Far East. Such is the dignified action which the powers should take

America she has more legal and moral duty to do this than any other power. She is the author of the Nine-Power Treaty—a treaty which Japan has trampled under foot. The British note to Tokyo has also laid special emphasis on the said treaty. So, it is up to the American Government to take the initiative to save this treaty. It is up to the other eight signatories of the Treaty (Japan being excluded) to send a "joint note" to Tokyo calling to the latter's attention Article One of the said Treaty which provides: To respect the sovereignty, the independence, and the territorial and administrative integrity of China . . . ." The present Japanese aggressive action is a gross violation of the Treaty.

Action by China Urged

China, on her part, should realize the good opportunity which has been created by the Japanese declaration; China should realize her past blunder in solely resorting to the League's Convenant but not also to the Nine-Power Treaty; for it is in reference to the latter action that America would be in a better position to participate. China should take far more substantive action than mere issuing of telegrams or "answers" to the Japanese declaration. To us, we suggest that China should take the following actions:—

1. China should cease to negotiate with the Japanese over the Manchurian issues by means of direct negotiation. China should realize that unless China herself makes up her mind to make a firm stand against the Japanese aggression, no other power would come to her help. The foreign powers came to the help of the Belgians only when the latter put up a stiff resistance against the German invaders. So China should have the same spirit and do the same. (In the time when these lines are written, we understand the Sino-Japanese negotiations over the opening of through train and postal services has already been concluded. A new and "independent" company of neither Chinese nor Japanese nationality would be created to run the service. To such negotiation, we wish to register our opposition.)

2. China should urge the signatories of the Nine-Power Treaty to take some substantive actions; should press the powers to hold another Washington conference of the signatories of the Nine-Power Treaty to discuss about the Far Eastern situation, not in 1935, but within this year, on the ground that the situation in the Far East is too critical to wait for another year.

3. The Washington Conference of 1922 promised China, among other things also, the abolition of the extrality. China should start the negotiation with the principal powers at once towards this direction, partly to end this old and unique practice in China once for all, but largely as a means to increase China's prestige in the family of nations, during the present most critical period in her history; for such action taken by the powers, while proving very "favorable" to China, would undoubtedly prove quite "embarrassing" to Japan!

4. China should go ahead to conclude the non-aggression pact or self-defensive alliance with Russia and to re-assert her sovereignty over Outer Mongolia. All these actions when taken would greatly increase China's prestige and greatly strengthen China's position and would mean that China is now being "backed up" by the whole world, while Japan is entirely isolated.

Since the outbreak of the Manchurian affair, the world sympathies have always been on China's side. But China does not know how to avail herself of the world sympathies, and on the contrary, due to her poor and clumsy actions and many other blunders, she has put herself in such a hopeless condition. But here is the last chance for China to save herself as well as for the other foreign powers to uphold justice and righteousness, and to maintain the world peace.

Nanking, April 29, 1934.

Consequences of China Chaos

(The Chicago Tribune, March 28)

When the story of this age is brought into perspective by future historians the chapter on China may be more impressive than its events seem today. For after all, as we occasionally remind our readers, the people of China are about a quarter of the human race and what is happening to them is of more moment than our preoccupations elsewhere permit us to realize. Not that we can do much, if anything, about it; but we can at least be conscious of the vast phenomenon and speculate upon its nature and possible implications.

To be intelligibly informed in Chinese events is possible only for specialists. The situation and the forces at work in their depths are immensely complicated and the wide gap between our cultures, our ways of thinking and feeling, our standards and scales of value, make interpertation more dubious and difficult than the interpretation of events in any part of the occident. The application of western tests so confidently made, especially by American theorists, only results in error and disappointment. It is not helpful to the Chinese, however passionate its good intention. The vast ferment goes on and we can do little save watch its workings as they appear in observable events. The scene, at any rate, is one of the most remarkable in history; a tragic drama unfolding with no plot or none the occidental can follow with much understanding. We may generalize upon it, but analysis is hazardous and likely to be deceptive. A survey now and then is offered us and one that seems informed appears in a recent *China Weekly Review*. The writer quotes two statements by occidental observers which he asserts "epitomize the history of fifty years of decline and fall of the Chinese nation and are saddening comment on the blessings of the two decades of republican rule under militarist groups and political parties." One of these quotations points out that "since 1883 China has lost over 2,414,193 square miles of territory in eastern Asia—a disintegration more swift and fatal than that which overtook the Roman, Greek, Byzantine, and Egyptian empires." There still remain, he says, "something over 2,000,000 square miles of the erstwhile Flowery Kingdom to be carved up," but he thinks the appetite of Japan threatens its early extinction.

The same picture with the same question is taken from an editorial of the *Shanghai Evening Post*. "China at the present," said the *Post*, "is divided into an Indianized Sinkiang, a French Yunnan, a soviet Mongolia, a Japanese Manchuria and Jehol, communist areas in Kiangsi, Fukien, Hupeh, Hunan, Anhui, and other points too numerous to mention, together with tripartite Shanghai and probably half a dozen other things we've neglected to mention, such as, for example, that 'Republic of China' having headquarters at Nanking"; and we would venture to add, a Canton that seems in our perhaps erroneous opinion chronically separatist, and Peiping of dubious dependability. The whole seems to give some ground for the *Post's* conclusion that "about the only puzzle is how much China can be whittled down and still remain China."

In short, whatever the causes, a nation containing a quarter of the human race, with a cultural history of perhaps five thousand years, seems now in process of hopeless disintegration, which must have repercussions as wide perhaps as the world. That a core of nationality will survive we cannot doubt, but the rest of the apple will not be distributed without involving the relations of the chief powers of the outside world.

Filming of Pearl Buck's "Good Earth" Proceeds

Permission has been granted by General Chiang Kai-shek to the Metro-Goldwyn-Mayer Company to take pictures of war maneuvers to be staged in Nanking on May 20 by the graduating class of the Central Military Academy. The scenes are to be incorporated in the screen version of Mrs. Pearl Buck's novel "The Good Earth." The M. G. M. has promised that no objectionable matter shall be included in the filming.

Members of the M. G. M. Company were busy filming Chinese life also in Peiping for "The Good Earth" during last week. They are stated to have offered the Peiping authorities $100,000 for permission to film inside scenes of the Forbidden City.

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CHINA DECLARES OPPOSTION TO INTERNATIONAL CONTROL OR DOMINATION BY ANY COUNTRY

(*Continued from Page 367*)

took place at Tihua, Capital of Sinkiang, on April 17 and was attended by 200 delegates from all areas and districts liberated from Tungan troops. Li Yun (Liu Wen-lung?), head of the Provincial Government, made a speech outlining the ways of consolidation of peace in the province, and of its economic and cultural development. The military head of the province, General Sheng Shih-tsai, in his speech emphasised the fact that the opening of the conference coincided with the anniversary date of formation of the Sinkiang Government and pointed out that firm peace has been established in main part of the province. General Sheng also announced the firm decision of the provincial Government to carry out the programme of ensuring equal rights for all nationalities of Sinkiang, the freedom of religion, and economic and cultural development of the province.

The delegates in their speeches enumerated the needs of their respective districts and announced their demands. They showed unanimous readiness of all nationalities to actively cooperate with the provincial Government and to lend them strong assistance.

The *Tass* message further states that efforts are being made now to bring about a reconciliation between the Tungan troops and the Southern Sinkiang Government of Sabit Domulla with the object of strengthening in this way the latter's position. A special representative of the notorious Turkish prince Abdul Kerim, who arrived in Kashgar, is taking active part in the intrigues in Southern Sinkiang.

International Intrugues in Sinkiang in Ferment

Reuter's Agency has published an interview of its Haiderabad correspondent with the Mohammedan "missionary," Englishman Sheldrake, according to *Tass* telegram from London on April 27. This interview sheds light on the expectations which British circles in India associate with Sinkiang.

According to his statement, Sheldrake has recently returned from Peiping where a delegation which arrived from Sinkiang elected him "King of Islamestan." Sheldrake declared that he could not refuse the Sinkiangers who otherwise "may become victims of political adventurers." In accordance with their request, he conveyed through the delegation "a message of hope" to Sinkiang.

Commenting on Sheldrake's interview, the "Izvestia" points out on April 28 that Sheldrake is backed by an Englishman, Conrad Simpson. Continuing, the newspaper writes: "For sixty years the British Imperialism has been hankering after Kashgar Province. The disintegration in China encouraged the hopes of British imperialists. Britishers are arousing in Sinkiang the strife for the creation of an independent Moslem state, that is for the separation of this vast province from China. This strife is inspired by the activities of secret military agents acting together with the commercial firm of Hunbaievs.

Characterizing the *Reuter's* report about the delegation of Sinkiang population to Sheldrake, as a fairy tale, "Izvestia" writes: "One can expect now the appearance of a fairy tale describing how the Kashgar people developed ardent desire for independence, and sent envoys to an unknown hotel in an unknown town to an unknow prince of Japanese origin, requesting him to occupy the throne."

According to a recent arrival at Peiping from Sinkiang, the situation in that province is even worse than that existing in Manchuria before the Japanese occupation. Sinkiang is still in its primitive stage and the modern equipment is undreamed of by the natives.

The administrative and military powers in Sinkiang are vested in the hands of General Shen Shih-tsai, Garrison Commander. His policy in governing the province is to keep the people as ignorant as possible. Throughout the province there is only one newspaper, the "Tienshan Daily News." There is no way to receive newspapers from outports because all printed matter is summarily confiscated by the provincial authorities. Even mails are examined by the authorities. All incoming mails must first be forwarded to Tihua to be examined by a examination bureau.

General Sheng is afraid of new comers, even the natives of Sinkiang who return to Sinkiang after completing their studies. The last time General Huang Mo-sung went to Sinkiang he was detained by him. The people in Sinkiang, both Chinese and natives alike, entertain deep resentment against Gneral Sheng. The recent independence movement in southern Sinkiang is regarded as a reaction against Sheng's maladministration.

General Huang Shao-hsiung, Minister of the Interior, has arrived in Lanchow, Capital of Kansu from Peiping. What is General Huang's mission in Lanchow is unknown. It is reported, however, that he will leave for Sianfu next week.

National Government's Envoy to Thibet Departs for Lhassa

General Huang Mo-sung, Chinese envoy to Tibet, left Nanking for Szechuen April 26 by aeroplane. After stopping at Hankow, he will fly directly to Chengtu. At Chengtu he will confer with General Liu Hsiang, Commander-in-Chief of the Szechuen troops, regarding measures for strengthening the national defence on the western frontier. When he passes through Ya-an, he will also see General Liu Wen-huei, to exchange views regarding the situation in Sikong. It is understood that the over-land route to Tibet from Chengtu will take General Huang three months to reach Lhasa, Capital of Tibet. He will spend the year end in Tibet, returning to China early next spring.

Accompanied by a retinue of over 40 persons, the Panchen Lama, "Living Buddha" of Tibet, arrived at Hangchow April 26 from the Nanking by motor car via the Nanking-Hangchow Highway. The Panchen Lama is now presiding over the Buddhist Convention (National Prayer Meeting) at Hangchow which was formally opened on April 28 at the Lingyin Shih (monastery) with hundreds of delegates in attendance. The Convention will last for 60 days.

Interviewed regarding the return of the Panchen Lama to Tibet, Liu Chia-chu, his private secretary, said that his return is now merely a question of time. Prior to his death, the Dalai Lama had expressed to Anchin Hutuketu, personal emissary of the Panchen Lama, the wish that the Panchen Lama would return to Lhassa at an early date. Moreover, the entire population and the authorities of Tibet are looking forward to the early return of the spiritual leader.

The Chinghai troops under General Ma Pu-fang which recently went to Kansu to assist in the suppression of General Sun Tien-ying's troops are returning to their original posts in Changha, to strengthen the position of the Chinese troops in Sikong in their stand against the Tibetans.

Mongolian Political Council Inaugurated on April 23

The Mongolian Local Autonomy Political Affairs Council was formally inaugurated at Pailingmiao April 23, according to a telegram received by the Mongolian and Tibetan Affairs Committee.

Simultaneously, the various members of the Council —with the exception of four members from Chinghai (Kokonor) who were unable to arrive at Pailingmia on April 23— were sworn in office.

A detailed report on the inauguration of the Council was submitted to the National Government April 24, in a telegram from Ho Ching-wu, representative of the Peiping Branch of the Military Affairs Commission, who participated in the inaugural ceremony and administered the oath of office to the various members of the Council on behalf of the Central authorities.

In a telegram to the Central authorities, Prince Yung, President of the Ulan-Tsab League and Chairman of the Mongolian Local Autonomy Political Affairs Council, recommends the appointment of Prince Teh, who is a member of the Council, as concurrently Secretary-General.

A *Kuo Min* telegram from Peiping April 27 reported that Secret messages received from outside the Great Wall state that the Japanese have given out a report that "the Japanese would not invade North China prior to the annexation of Mongolia." The Japanese state that the annexation of Mongolia is an urgent measure related to their preparations against Soviet Russia whereas the invasion of North China can wait for a more opportune moment.

The Japanese troops at Cheng-teh, provincial capital of Jehol, are making preparations for transfer westwards. Under the pretext of recruiting for railway construction, the Japanese have concentrated an army of laborers at Tolun (Dolon Nor) and in the vicinity of Kuyuan, eastern Charhar.

The Chinchow-Chaoyang Railway has been extended as far as Ling-yuan, 120 miles east of Chengteh in southern Jehol. The construction of the railway between Chengteh and Lingyuan is being pushed forward feverishly.

Chang-Chia Hutuketu, the "Living Buddha" of Chinghai (Kokonor), returned to Peiping April 27 from Kalgan, capital of Charhar.

Interviewed, he expressed satisfaction over his recent "cultural tour" to the various Mongolian Leagues and Banners.

A deputation of five, representing the people of Ninghsia province, passed through Peiping April 29 on way to the Capital to seek relief from the Central Government for the distressed people of the province as a result of the incursion of the rebel units under General Sun Tien-ying and the banditry in Ninghsia.

General Sung Che-yuan, Chairman of the Charhar Provincial Government ,returned to Kalgan from his inspection tour in eastern Charhar on April 23 and will shortly proceed to Peiping to submit a personal report on the situation in eastern Charhar to General Ho Ying-chin.

The 24th Independent Cavalry Brigade under General Yu Shih-min (of the 41st Army) has been ordered by the Peiping authorities to garrison Sinyang, southern Honan. The 1st batch of the Cavalry Brigade, totalling 700 men, passed through Peiping April 25 en route to Sinyang from Paotow, western Suiyuan.

The 15th anniversary of the death of Chen Tien-yu, pioneer Chinese railroad engineer, was observed April 24 at Chinglungchiao, north of Peiping, by members of the Peiping chapter of the China Engineering Society.

Gen. Han Announces Liquidation of Liu Kwei-tang Band

Reporting on the operations against the bandits under the notorious Liu Kuei-tang, General Han-Fu-chu, Chairman of the Shantung Provincial Government, in a circular telegram on April 26, announces that the marauders, who entered Shantung on March 17, were completely liquidated on April 24th. General Han further announces that 3,000 bandits have been captured and executed and altogether 1,000 rifles, 20 machine-guns and 1,000 horses were captured by the government troops.

General Han is now on an inspection tour in southern Shantung. General Han inspected the dykes of the Yellow River on April 24.

With the complete liquidation of the bandits under Liu Kuei-tang, martial law at Kanyu and Haichow, northern Kiangsu, has been lifted. The Kiangsu troops stationed in the two cities have been demobilized.

The Headquarters of the 3rd Army at Hsuchow state that Liu Kuei-tang, the notorious bandit-leader, is reported to have sailed for "Manchukuo" on a Japanese steamer.

Nanking Decrees Military Training for University Students

Graduates of colleges and universities in the eight provinces of Shantung, Kiangsu, Chekiang, Anhwei, Fukien, Hupeh, Honan and Hopei must undertake a month's military training this summer, according to an order received by the Inspectorate-General of Military Training from General Chiang Kai-shek, President of the Military Affairs Commission.

Nanking, Hankow and Loyang (Honan) will be the three training centers. The Inspectorate-General is instructed to devise detailed measures for the carrying out of the order.

The honorific title of Hu-Kuo Shan-Hua ("Supporter of the Country and Expounder of Culture") was officially conferred on Chia-Mu-Yang Hutuketu, in recognition of his meritorious services, at an impressive ceremony held at National Government House April 25. Chao Pei-lien, Vice-Chairman of the Mongolian and Tibetan Affairs Committee, presided. Over 300 high officials and visitors were present, including the Panchan Lama, "Living Buddha" of Tibet.

In order to improve the efficiency of the various organs under the Executive Yuan, an Administrative Efficiency Institute will shortly be established by the Yuan with Kan Nai-kwang, Vice-Minister of Interior, as director.

General Lu Ti-ping, Chairman of the Chekiang Provincial Government, has again tendered his resignation on account of ill-health. Besides asking him to remain in his post, the Executive Yuan has granted General Lu another month's leave to recuperate.

C. H. Hoh.

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Japan's "Hands-Off-China" Declaration---Will the Nine-Power Pact Stand the Test?

THE full import of the Nine Power Pact has once more claimed world attention as a result of Japan's "informal" statement regarding her China policy, says the *Chung Hua Jih Pao* April 27. Special reference to the treaty has been made by Sir John Simon, the British Foreign Secretary, in his communication to the Japanese Government. America, France, Italy and other countries are likely to take a similar course of action. Indeed, this is the first time in the history of the Pact that so much emphasis has been laid on it by the various countries.

The paper points out that the Nine-Power Pact is not only significant in itself; historically it marks a new era in China's relations with the different foreign countries. Prior to the conclusion of the treaty, China had never participated in any open or secret parleys where agreements regarding China were drawn up among the Powers. Even with the so-called Open Door policy and the principle of equal opportunity, these were also only agreed upon among the Powers themselves. But since the Pact was concluded and by virtue of the fact that she is a signatory to the Pact, China not only has the right to reject the efforts of any single country to acquire "special rights" in our land but is under obligation to draw the attention of the various countries to such an attempt.

Referring to the working of the Pact in the past, the paper calls attention to the fact that Japan had already violated the spirit of the treaty by her forcible occupation of the North-eastern provinces after September 18, 1931. The Powers, however, failed to fulfil their obligations by their indifference to the situation. In fact, the paper further points out, there has been ample proof of Japan's violation of the Pact long before her Foreign Office issued the "Hand-off-China" statement, but unfortunately the various countries did not realize the gravity of the situation until lately.

In short, the paper concludes, as the controversy between China and Japan can ont be solved before the League of Nations, the Nine-Power Pact should be fully utilized.

Britain's Reasons for Defending the Pact

The *Shun Pao* on April 25 observes that there are several reasons why Great Britain specially emphasized the Nine-Power Pact instead of the League of Nations' Covenant or the Kellog Pact.

Firstly, since the Nine-Power Pact guarantees China's territorial and administrative integrity, it therefore applies to the whole of China.

Secondly, as Japan has already withdrawn from the League of Nations and has voiced her objection to the League's technical cooperation with China, to apply the League Covenant will only invite more argument from the Japanese.

Thirdly, although Japan may withdraw from any international organization if she wishes to do so, she cannot ignore her treaty obligations.

Lastly, the Japanese utterances are entirely contrary to the Open Door Policy, which was agreed upon by the Powers in the Nine-Power Pact. In order to implement the Open Door Policy, there are three requirements; namely, China's cooperation, America's participation and concerted action among the Powers.

The journal suggests that the Chinese Government should first request the Powers signatory to the Pact to exchange views regarding the Far Eastern situation and as Soviet Russia has already resumed relations with the countries which affixed their signatures to the Pact, on the basis of Article 8 of the Pact we can also request America to invite Russian participation. Finally, we should work for a second conference of the signatories of the Nine Power Pact.

In conclusion, the *Shun Pao* declares, our policy should be the very antithesis of that of the Japanese. Whereas they try to evade any international conferences, we should utilize the opportunity to our best advantage. Whether it will be possible for the various countries to form a united front against Japan, as the result of the Japanese declaration, largely depends upon our efforts.

Adherance to Settled Policy Paramount

The *Min Pao*, on April 25, commenting further on Japan's statement of policy regarding China, states that world opinion has already delivered judgment on the Japan's declaration, and now the various foreign countries are gradually clarifying their attitudes. Premier Mussolini's words can be taken as representing Italy's tendency, and the comments made by Soviet and German papers can also be considered as expressions of the views of their respective Governments.

As regards Great Britain's diplomatic policy, it is noted for moderation: but Sir John Simon announces that he has communicated with the Japanese Government requesting the latter to furnish explanations for her recent pronouncement. The fact that Britain has taken the initiative officially serves as evidence that she is keenly interested in the matter.

It is believed in Geneva that the Japanese declaration will result in the increase of American support and hasten Soviet Russia's entry to the League of Nations and that when the League convenes in May its attitude will be changed to one of firemness.

Although we can not exactly tell just what will be the outcome, we are sure, however, that China will be vitally involved. We should therefore secure a clear understanding of the international situation and adhere closely to our settled policy. But, most important of all, we should be guided by one policy for the fulfilment of which we should struggle with all our might.

Second World War—A Matter of Time

Recalling the world situation three years ago, the *Shun Pao* on April 26, observes that when Japan first occupied the North-eastern provinces (Manchuria), it was generally believed that there would be a second World War and that it would be fought in the East. But latterly, owing to the appearance of new international problems the attention of the various countries has been diverted and consequently little has been heard about the future World War. However in view of the feverish military preparations on the part of the Powers and the growing gravity of the situation in the Far East as evidenced by the recent events, the paper expresses the opinion that the outbreak of the Second World War is inevitable and is only a matter of time. As long as Japan continues to occupy Manchuria, a balance of power in the Far East between Great Britain, America, France and Russia will be impossible. Not only are the economic interests of various countries in China in danger of being monopolized by Japan but there is also the danger that British, American, French and Russian territory in the Pacific and Indian Oceans will be invaded one after another. Concerted action among the Powers to check Japan's expansion of power is therefore quite natural and necesary.

Continuing, the *Shun Pao* says that when the War actually breaks out, China will be compelled to participate; the only alternative open to us will be whether to join the Powers or Japan. We are convinced that comparatively, a balance of power among the different countries is more beneficial to China than allowing any single country to predominate.

Japan's Three Steps to Far East Domination

Commenting on the Japanese Foreign Office statement issued on April 17, objecting to Powers' providing China with military aeroplanes and military instructors and political loans, the Peiping *Chen Pao* in an editorial on April 26 said:

"The reason for this statement is not difficult to seek. Japan has long been desirous of imposing her Asiatic Monroe Doctrine upon the world so that she may drive American and European influence from the mainland of Asia and rule without interference from the Powers. All her diplomatic manoeuvres are motivated by this policy. What she has done in the present instance is a mere reiteration of her Asiatic Monroe doctrine. League circles are right when they say that the Japanese declaration is the logical outcome of Japan's striving towards the hegemony of the Far East.

"Since the Mukden incident of September 18, 1931 Japan's policy towards China has proceeded along three lines. In the first place, she wants to consolidate her hold on Manchuria. This accomplished, she will proceed to the task of subjugating the whole of China, after which she will launch her claim to the hegemony of the Far East. Japan may think that she can have her own way in Far Eastern affairs but the international situation is by no means favorable to the realization of her inordinate ambitions."

In an editorial comment on April 23 on the Japanese Foreign Office statement issued on April 17 with reference to Japan's objection to international assistance to China, the *Hua Pei Jih Pao* in Peiping said:

"It is quite permissible in International Law for one country to seek the technical assistance of another in its political and military development. History abounds in instances of this kind. During the early years of the Meiji Era, Japan herself received technical assistance from various countries. Japan therefore has no right to interfere not only with our administrative and military reconstruction or with our securing foreign assistance in undertaking such reconstruction. In trying to prevent the Powers from extending such assistance Japan has given unmistakable evidence of her desire to dominate China and the Far East."

C. H. H.

Heavy Japanese Debt Necessitates Further Taxation

THE ordinary routine of Japanese politics was overshadowed during the week by the Nippon Government very much modifying its original stand on the question of China's freedom of action in borrowing money or buying airplanes in the markets of Europe and America. However, the old question of how soon the Japanese Government will resume its policy of devaluating the yen still further and how the money is to be raised to meet the crushing debt which the Japanese Government is carrying still remains. The *Osaka Asahi* confirmed reports that, influenced by the views of those close to him, the mind of Mr. Takahashi, the Finance Minister, is gradually turning towards the increase of taxes from the next fiscal year. The chief ground on which the Finance Minister's opposition to the increase of taxes was based was his apprehension lest it should nip the business revival, but the steady increase in the amount of routine increase of revenue appears to have somewhat alleviated his apprehension. There is thus a prospect of an increase of taxes in next fiscal year. The loans issued since the fiscal year 1927-1928 both in the general and in the special accounts total something like Yen 2,300,000,000. Of this total the deficit-covering loans constitute about Yen 1,460,000,000 and the Manchurian affair loans, which may be described as quasi-deficit-recovering loans Yen 540,000,000. It seems to be the desire of the Finance Department authorities to find Yen 80,000,000 or Yen 90,000,000 to cover the interest on these loans.

Political observers in Tokyo April 27 attached unusual significance to the visit of Prince Kimmochi Saionji, 84-year old "elder statesman" who was expected in the Japanese capital May 2 for a two-week's stay. While Prince Saionji ostensibly is visiting the capital to wait upon the emperor, he is expected to hold conferences with Premier Saito and members of his cabinet as well as other political leaders. The venerable statesman, who has served three generations of the Japanese Imperial family, will also pay his respects to the Crown Prince, born Dec. 23, and his mother, Empress Nagako. His schedule also includes an audience with the Empress Dowager. Prince Saionji, last of the "elder statesmen" and recognized liberal, spends most of his days at his villas at Kohzu and in Kyoto.

In party politics there have been several minor squabbles during the last week or two, but nothing of major importance has occurred to threaten the life of the present Saito coalition cabinet, which has weathered numerous storms and held together much longer than any one either in Japan or abroad ever expected it to.

Saito-Suzuki Interview

An important interview is scheduled to take place May 4 between the Premier, Admiral Saito and Dr. Suzuki, President of the Seiyukai party, after the conclusion of the prefectural Governors' Conference in Tokyo. The interview was to have taken place earlier, but was postponed due to the fact that the Premier was occupied in adjusting the composition of the Cabinet since the resignation of the Education Minister Hatoyama and the War Minister's resignation.

Premier Saito was recently rebuffed by Zembei Horikiri, Seiyukai leader, to whom he offered the post of Education Minister left vacant by the resignation of Ichiro Hatoyama, another Seiyukai chieftain. Mr. Horikiri, in declining the offer, is said to have pointed out to Premier Saito that the proposal should have been made through the president of the party. Relations between the Cabinet and the Seiyukai party were temporarily strained.

Baron Maurice Rothschild, a member of the French branch of the famous European banking firm, was received in audience by the Emperor in Tokyo April 23. He was accompanied by M. Pila, French Ambassador. Baron Rothschild arrived in Japan aboard the round-the-world cruises *Empress of Japan*, but left the ship at Yokohama for an indefinite stay.

Japanese Editor Stabbed

Bunshiro Suzuki, executive editor of the *Tokyo Asahi*, leading Tokyo newspaper, was stabbed in the back with a large Japanese sword wielded by a youth named Yasutaro Naoe, who had gained admittance to the journal's offices April 26. Mantaro Matsuyama, a private guard employed by the newspaper, also suffered a bad cut in his left thigh as he sought to subdue the armed youth. The assailant, finally subdued by other members of the newspaper's editorial staff, was handed over to the police. The assailant said he had assaulted Mr. Suzuki because of a report carried by the *Asahi* concerning Sentaro Honda, a Buddhist preacher. The wounded editor was formerly staff correspondent for the *Asahi* in Europe and America. He gained recognition for having secured the first newspaper interview given by the former Kaiser Wilhelm II after his exile to Holland.

17 Osaka Communists Arrested

Seventeen Communists were arrested in Osaka at dawn April 21 They are alleged to have been carrying on subversive movements for the reorganization of crushed Communist orans. The Osaka police also rounded up about 30 Koreans the previous day. It is alleged that resenting the fashionable reform of Japanese Communism through relentless suppression, they inaugurated a subversive movement with only Korean membership independent of the Japan Commenist Party, with the object of plotting a general strikse there.

Japanese Release Alleged British Communist on Bail

Professor W. M. Bickerton, a British subject from New Zealand, who had been held under arrest without bail for several weeks for alleged communist activities in Tokyo was released on bail by the Japanese police April 28. On April 11, as the result of a preliminary examination, the Metropolitan police indicted the professor on a charge of conspiring to disturb public order. The police declared that he assisted the communist party with funds for writing and distributing pamphlets and that he also applied for membership. Professor Bickerton subsequently denied some of the charges against him, but the police, who had confiscated a number of his personal papers, claimed that they possessed a certain amount of incriminating evidence.

National Child Welfare Association Continues Campaign for Funds

The National Child Welfare Association of China is continuing its campaign to raise $100,000 this year, in addition to endowments. It has obtained approximately $75,000, according to Ling Kong-hou, treasurer since January 1. Tu Yueh-sen, well known French Concession resident, has been instrumental in obtaining contributions totalling approximately $20,000, while $6000 has been contributed by the Charity Committee of the French Municipal Council as a gift to the Charity Ball through the offices of M. Meyrier, Consul General. A final appeal has been sent to those who have not yet responded to the call for funds, reiterating the appeals sent originally by Dr. Fearn and Dr. H. H. Kung, association president.

Prof. Frank W. Price Translates Chinese Boy Scout Regulations

Prof Frank W. Price of Nanking University has translated into English from Chinese the General Regulations of the Boy Scouts of China, drafted by Chang Tao-fong. The regulations were revised by Tai Chi-tao, Dr. Chu Chia-hua, and General Chang Tze-ching. They were finally sanctioned by Generalissimo Chiang Kai-shek and passed and put in force on Septmber 28, 1933, by the Fourth Central Executive Committee of Kuomintang. A silver tripod has been presented to Professor Price by the General Association of Boy Scouts of China as a reward for his work. "Tripod" in Chinese means "effort to help."

Prof. Irving Babbitt and China

BY CHIEN-CHAO FEI (費鑑照)

WE learned with regret that Prof. Babbitt of Harvard died in July 1933 at the age of sixty-seven. The Prof. Babbitt and Prof. More or Princeton are leading champions of the new humanism, a pure American product of intellectual importance, and under the banner of which many soldiers enlist to fight. In the field of literary criticism he stands for classicism in opposition to romanticism. This aspect of his crusading activity his "Rousseau and Romanticism" and "The New Laocoon" can best represent. There is no perfect agreement between the veteran critic and me; yet the difference of view-point does not bias me to deny his contribution to our contemporary thought, and his importance among us. His contribution to China is done rather by his Chinese students of Harvard. When those students of his return to China, they propagate new humanism and classicism through a fight to spread what is best in civilization and to maintain Chinese old traditions. Among those K. T. May, Wu Mi, Liang Sui-tui and Kuo Ping-ho are most faithful to his doctrine and have done much in spreading humanistic ideals and upholding old Chinese traditions.

Our survey will be far from complete if we do not refer to the "New Culture Movement" then at its highest water-mark under the leadership of Dr. Hu Shih, Professor of philosophy at National University of Peking. Dr. Hu, fired by the enthusiasm to reconstruct China, attacked those elements which he deems as injurious to her health. His efforts combined with those of his comrades made an astonishing advance in the mind of intellegentsia. And, perhaps, they have never suffered any severe reverses until K. T. May, Wu Mi and Hu Shih-su appeared on the stage in opposition at National Southeastern University.

They found many sympathisers and followers within and without the said institute of learning. Of other soldiers of prominence at that time Liu Pa-ming, Liu Yi-cheng deserve a special mention here. As these soldiers had gathered their force, they started a monthly, *The Critical Review*, to be their organ of propaganda, and fought as godsend crusades to check the advance of the "New Culture Movement."

There are two more champions of new humanism, Liang Shu-tui and Kuo Ping-ho, who studied under Prof. Babbitt during their postgraduate days in Harvard. They entered the arena much later, yet they play no less prominent a part than K. T. May and Wu Mi. Being a defender of humanism, Mr. Liang has come into conflict with Lusing and his group in recent years, and criticized the thoughts and actions of those of the opposite camp. One of his important articles—perhaps the most important—is, "Literary men should observe ordinary moral laws" (文人有行, 新月第一卷). In this article Mr. Liang advocates that a literary man (be he a novelist, poet, or critic) should conduct his life in accordance with ordinary moral laws and no pardon should be given to him for the breach of those laws. It is an attack on a Chinese tradition that a literary man has the privilege of a libertine, and which seems to draw more reinforcement from the "New Culture Movement". Of course, his attack on the tradition may be interpreted as a reaction to the prevalence of that idea in our society, yet it is undeniably true that the fountain-head lies in the ideals of new humanism. Mr. Kuo preaches the doctrine of humanism mostly during the lectures in classroom and during conversations with friends. He writes less in comparison with Mr. Wu and Mr. Liang. Yet he does not abandon the pen as a powerful weapon, to which he sometimes resorts in his fight against "heresy". His recent article on Tseng Kuo-fan in the Literary Supplement of *La Revue de L'Impartial* is again the exposition of humanism, since Tseng embodies the humanistic ideals in many respects.

Both our society and intellectual world are in a state of chaos, lawless with the lack of a high standard of value. Our nation has lost its health, social as well as intellectual, which endangers her existence. The defenders of humanism—the followers of Prof. Babbitt—who first advocated order, reason, and high standards of value, now renew their attempts to recover the declining health of our nation by reviving our old traditions (as shown in a lecture by Prof. K. T. May at National Central University in October 1932). As a diagnosis will show, complex is the malady, yet it is not beyond the virtue of herbs. Different doctors may prescribe medicines different from that of Prof. May, who is one of the prominent humanists in China. However, the medicine prescribed by humnanists, I think might prove beneficial to health, should the patient take a sufficient dose. The competency of humanism to rebuild a strong body might be questioned by its enemies, yet to an impartial observer it is certain, at least, that it can take up the preliminary work to prevent the disease from further development. This Prof. Babbitt has contributed to China through his faithful students, Wu Mi, K. T. May, Liang Shui-tui and Kuo Ping-ho. And this becomes more perceptible as the present society is brought from chaos to stability.

Central Political Institute of Kuomintang,
Nanking, April 28, 1934.

Britain and France Demand that Germany Continue to Pay

Both Great Britain and France April 27 notified the German Government that they would take a grave view of any proposal to apply a transfer moratorium to the Dawes and Young Loans. In other words, France and Britain expect reparations payments to be continued despite the assertions of Dr. H. Schacht, the president of the Reichsbank, that Germany cannot any longer find the necessary annual sum of £23,000,000.

Norman Davis, United States Ambassador at large and disarmament delegate, stated in Washington April 28 that he hoped Europe would be able to solve its own problems. He indicated, however, that he was ready to return to Geneva if the Disarmament Conference convenes on May 29, as it was originally announced. "As far as we are concerned," he continued, "it is up to Europe decide whether or not she wants to disarm."

By 67 votes against 66, the Norwegian Storting April 28, rejected the motion of the Labor Party that the Norwegian army should be converted into the so-called guardsman service.

War Is Predicted Next Year by Polish General

General Haller, former Chief of the Polish General Staff, visiting Washington last week stated that, in his opinion, a war will break out in 1935 or 1936, probably between Russia and Japan and that from the Far East it will spread to Europe.

Dishonest Officials Are Punished by Disciplinary Committee

Judgment in several impeachment cases was rendered by the Committee for the Disciplinary Punishment of Public Functionaries last week.

Peng Mei-yen, District Magistrate of Hengan, Chekiang, having been found guilty of violation of law and dereliction in duty, is dismissed from office and suspended from civil service for a period of four yeard.

Shao Lin-tse, County Chief of Shuni district, Peiping, having been found guilty of neglect of duty and connivance at extortion by his subordinates, is dismissed from office and suspended from public service for a period of two years.

Wang Pao-an, District Magistrate of Hsiangho Hopei, having been found guilty of violation of Law, neglect of duty, and impairment of the people's welfars, is demoted one rank.

Chang Chi-lin, Chief or the Detention House of the Kiangning (Nanking) District Court, having been found guilty of withholding the rations of prisoners and unauthorized raising of prices of articles (sold to prisoners), is to have his monthly salary reduced by 20% for period of six months.

Chinese Real Estate Man Murders Wife, Commits Suicide

Yang Ping-fu, employed by the Asia Realty Company, where his grandfather is compradore, fatally shot his newly married wife and then took his own life by a service revolver in the Sun Court Apartment, 651 Weihaiwei Road, at Shanghai, on the night of April 26. He had married against his family's wishes, and he suspected that his bride was unfaithful to him. She had been absent from home the previous night.

American Chamber Urges Government to Build Consular Building in Shanghai

The American Chamber of Commerce at a recent meeting, passed a resolution urging the American Government to carry out plans, abandoned several years ago, to construct a new American Consular building on the plot of land now lying idle on Whangpoo road, the site of the Consulate General for many years until the offices were removed to the present location in the old Kalee premises on Kiangse road—which were leased for the purpose. Under existing conditions the American Government not only pays rent and taxes on the leased premises but also pays taxes on the idle land in Whangpoo road. The American Chamber in Shanghai has received a reply from Washington that the matter had been referred to a committe of Congress.

Chiang Kai-shek Developing a Fascism a la Chine

(By the Review's Hankow Correspondent)

Fascism has definitely taken root in Central China. It savors of Mussolini and of Hitler, but has a distinct Chinese flavor.

When Generalissimo Chiang Kai-shek broadcast the rules for the New Life Movement and encouraged the New Cultural Society, he set in motion forces that would organize the man in the street and the literati each in a separate organization, but with fascist ideals as a foundation.

It has been very interesting to watch the developments during the past few weeks and to see how things are shaping themselves along lines that resemble the beginnings of a fascist system. Not a little of compulsion is being exercised among the government officials and in the various schools. Mass meetings are frequently being held in the public parks of Wuchang and Hankow. School children of all ages parade through the streets and are taught to march in very orderly fashion. Sometimes a lantern parade is organized. At the mass meetings the leading men of the Wuhan area lecture to the children and youth on the benefits of the New Life. Magistrates and other officials are ordered to organize new branches of the New Life Movement in their respective areas

Another interesting angle is the compulsory military training for university and college students recently introduced in the eight provinces of Shantung, Kiangsu, Chekiang, Anhwei, Fukien, Hupeh, Honan, and Hopei. All graduates must take a month's military training this summer at one of the three military training centers, Loyang, Hankow, and Nanking, according to an order received from General Chiang Kai-shek by the Inspectorate-General of Military Training. Moreover, in Kiangsi province graduates of Junior and Senior Middle Schools will not receive their diplomas until they have completed a three months' course in military training.

Basing his justification for prohibiting labor unions in Honan, Hupeh, Anhwei, Kiangsi, and Fukien, from collecting fees or dues on the ground that the Reds had bled the industrial workers white during Red occupation of the areas now retrieved, General Chiang Kai-shek insists that for the time being Article 17 of the Labor Union Law will have to be abrogated. The above-mentioned provinces, he claims, are now in a state of emergency requiring such a modification of the law. The eight-hour law will be changed and ten hours will be the standard working day, for production of necessities in these provinces is below the actual requirements of the people. In countries where there is overproduction of goods a reduction in number of hours is feasible for workers, but not in China where the aim should be to produce more. This is sound economic theory. Incidentally one of the main reasons why Communism is bound to fail in China is this:

There is not a great deal of accumulated wealth to be distributed.

Meanwhile things are humming in Nanchang and during the last few days in Kuling where the Generalissimo is visiting. During the past few days Dr. H. H. Kung, Finance Minister, has been in conference with the Generalissimo at his Kuling Headquarters. Both the American Minister to China, Nelson T. Johnson, and the Belgian Minister, Baron Guillaume, have paid him a visit during the past week-end. Dr. James H. Rogers, American silver expert also is at the Kuling meeting. From an attitude of envy and disrespect, if not open hostility, General Chiang Kai-shek has during the last two years gradually won the respect of a growing number of the Western-trained Chinese in the Wuhan area. Observing his simple life, his tenacity of purpose, and dogged perseverence in his effort to bring some semblance of order out of the Communistic chaos and the civil strife, they call him the strongest man China has today. His qualities as a strategist in dealing with the Fukien Rebellion, the Revolt of General Sun Tien-ying, as well as others in the past, make one feel sure that the situation vis-a-vis Canton will sooner or later be solved to his advantage. Rumor has it that General Liu Chih of Honan and General Ho Chien of Hunan are to exchange positions as governors of their respective provinces. Chiang Kai-shek's Chief Secretary, General Yang Yun-t'ai is at present making an inspection of the new motor road connecting Shasi in western Hupeh and Chang teh in central Hunan. However, we have it on good authority that his main purpose is to find out the strength of General Ho Chien in Hunan, where he staged a remarkable comeback in the autumn of 1930 after Changsha had fallen to the Reds, and where he has entrenched himself in the esteem of the better classes by his good government and road-building activities. In the nature of things due to its geographical position Hunan province is a buffer state between the Kwangtung-Kwangsi alignment and Nanking-Nanchang-Hankow. Little wonder then that General Chiang Kai-shek would prefer to have one of his trusted men like General Liu Chih in Changsha, rather than General Ho Chien, who Janus-like sits on the fence, turning one smiling face north and another smiling face south.

Ho Lung Leaves Hunan For Hupeh

Red Commander Ho Lung has forsaken his home province again and pushed over the border of Hunan into the southwestern corner of Hupeh province. His entire force is reported to have reached the territory around Hsienfeng.

Szechwan Reds To Flee?

The leading authorities on the Reds in this center sharply discount the report that the Communists in north-eastern Szechwan have any real intentions of leaving Szechwan and returning to northwestern Hupeh. The Hupeh provincial troops have been strengthen materially in this area just recently. Furthermore, there appear to be other less guarded districts in Shensi or other provinces farther west, where the Reds would have better opportunity of gaining a foothold. Hupeh with the bulk of Marshal Chang Hsueh-liang's troops have been giving the remnant Reds a hot time in the northeastern section along the Honan border. The Peiping-Hankow Railway has continued to improve its service. Marshal Chang's men are guarding the southern half of this line.

Hankow, May 1, 1934.

Manchukuo Denies Intention to Inflate Currency

With a view to dispelling rumors which have been current that the Manchukuo Government may embark upon a currency inflation program, Kyoroku Yamanari, Vice-president of the Central Bank of Manchou, in a lengthy press interview in Changchun April 27 emphasized the absolute necessity of maintaining the stability of the currency and added that inflation is not suited to an agricultural exporting country like Manchukuo. He declared that the rumor that the Government may devalute the yuan is absolutely groundless. He said that one of the strongest reasons why Manchukuo is opposed to inflation is the miserable experiences which the people of the region had from the wild issue of paper notes by the former regime.

Manchukuo Central Bank Redeems Old Regime's Bank Notes

In continuance of its efforts to bring unity in the currency in Manchuria the Manchukuo Central Bank has so for redeemed 83.37 percent of the 15 variegated forms of bank-notes that had been issued by the former regime, according to Liu Chiu-fen, a director of the bank. This represents about $119,000,000, he said. About $23,000,000 remains to he redeemed before the bank completes the task that it undertook on June 14, two years ago, Mr. Liu said.

Opinion Divided on Japan's Investments in Manchuria

Two different opinions are contending among the leading financiers in Japan concerning the Japanese policy of investment into Manchuria. Those in favor of strict regulation as to the form of investment insist that the free investment by Japan will in course of time constitute a heavy stumbling block in the future regulation of economic relation of the two countries. On the other hand, those who favor a positive investment policy insist the urgent necessity of funds for the adjustment of international debts, as Manchukuo, which is on the way to reconstruction, is naturally a large importing country. The Ministry of Finance is of opinion that regulation will be difficult to apply to the situation when much capital fund is required there. However, in view of the fact that the point has an important relation to Japanese policy on future monetary circulation in Japan, the Ministry of Finance is contemplating to send Finance Commissioner Tsushima to Manchuria to study the subject at first hand.

Manchukuo's Foreign Trade in February Shows Import Excess

Manchukuo's foreign trade in February amounted to M.Y. 71,578,991, whereof exports comprised M.Y, 34,980,489 and imports M.Y. 36,598,502, leaving an import excess of M.Y. 1,618,013, according to official trade returns made public by the Department of Finance in Changchun April 24.

The Japanese Army's future policy in regard to the economic construction of Manchuria was explained by the War Minister General Hayashi to the Overseas Minister Mr. Nagai in an interview April 26. It is intimated that both General Hayashi and Mr. Nagai agreed on the point that future economic construction of Manchuria should be pushed on through co-operation between Manchukuo and Japan aiming at the security of both nations. In this connection it was urged that the South Manchuria should be a basis upon which the future economic construction of Manchuria will rest.

The question of postal communication via Manchuria and the status of the Manchukuo postal service was discussed in the House of Commons April 28. It was stated that no recommendations had yet been made by the Advisory Committee of the League of Nations. The matter will probably be brought up at Geneva on May 14.

Bandits Attack C. E. R. Town and Kidnap Two Russians

A large number of bandits April 25 attacked and looted Tsochintze, a town on the Chinese Eastern Railway. Two Russians and three Chinese were kidnapped by the bandits, while a Russion woman was wounded. For more than two hours the bandits held possession of the town, during which they looted most of the shops as well as the warehouses of the Chinese Eastern Railway Commercial Agency. The bandits numbered about 2500 and were well armed. They were eventually driven away by

Manchukuo troops after a battle lasting two hours. The casualties numbered three bandits and one soldier killed and another soldier wounded, in addition to a Russian woman being hit by stray bullet.

Hundred Junks Captured on Yalu River by Bandits

A recent Antung dispatch to the *Asahi* says stated that on the upper reaches of the Yalu on the April 16 a junk loaded with 100 koku of soya beans and 50 koku of millet was sunk by bandits, resulting in heavy casualties. About 100 junks which happened to be in the vicinity were captured. Manchukuo troops were sent in pursait.

The Manchukuo Navy on the Amur and Ussuri rivers will enlarge its sphere of activities during this year by patrolling other rivers, with a view to protecting merchant ships from the attacks of pirates. The review of the fleet which it was proposed to hold on the Sungari May 15 has been postponed indefinitely.

Sansei Tominaga, 55 years old, who had been active in North Manchuria as interpreter to the Japanese troops, was shot to death in Harbin April 22, while taking a bath at his home. The assassin has not been identified so far.

The locomotive of a troop train which left the Hengtohotzu station on the eastern section of the Chinese Eastern Railway for Pogranichnaya in the morning of April 17 was damaged due to the removal of a section of the rail by bandits.

New Bean Oil Company Projected in Dairen

At the meeting of the board of directors of the South Manchuria Railway Co., April 28, it was formally decided to establish a new soya bean oil manufacturing company, in conjunction with Mitsui Bishi interests and the Honen Yoko of Dairen.

Cheng Hsiao-hsu, the Minister of Manchukuo, who had been visiting Japan on a goodwill mission arrived back in Changchun during the week. Prince Nashimoto will leave Tokyo eather late in May or early in June on an official visit to Manchukuo, as a representative of Emperor Hirohito. The prince's visit will return the recent mission of Premier Cheng Hsiao-hsu and Finance Minister Hsi of Manchukuo who were the officially enrertained by the Japanese government.

A new law has been passed by the Government of Manchukuo creating nine orders of merit of which the highest is the Grand Order, followed by orders from First to Eighth.

Manchukuo police authorities at Chientao April 25 placed Li Shu-ching and nine others under arrest on a charge of plotting riots in the Chientao district last May. According to the authorities, those arrested were members of the assassination corps organized by the Manchurian branch of the China Communist Party.

Manchukuo Returns Soviet Plane Used by Deserters

Manchukuo on April 28 returned to the Soviet authorities the Russan military airplane which was forced down in the vicinity of Little Hanka Lake March 11. The transfer took place at Mutanchiang, a station on the eastern branch of the Chinese Eastern Railway. The foreign affairs department, in its announcement, pointed out that it was not customary for a country to return to another a military plane that had been forced down. Manchukuo, however, decided upon the return of the machine because it had been established that the "craft was used by deserters" and because the action would "promote better relations" between the Soviets and Manchukuo. The two Soviet fliers, who were arrested when their machine alighted on Manchukuo territory, have since been released after it had been established by a court martial that the men were deserters from the Soviet Army. The men's whereabouts at present are unknown.

Soviet-Manchukuo Negotiations on C.E.R. Resumed

After a recess of seven months, the negotiations between the Soviet and Manchukuo representatives for the transfer of the former's interest in the North Manchuria Railway (formerly Chinese Eastern Railway) to the the latter were resumed at Foreign Minister Hirota's official residence in Tokyo April 26, without any Japanese observer sitting.

The Tokyo *Yomiuri* April 23 stated that, if as now appears likely, Soviet Russia signs a contract for the sale of her rights in the Chinese Eastern Railway to Manchukuo, it will be regarded officially in Tokyo as the first formal recognition of the new State by a Power other than Japan. The newspaper said that a basic agreement for the transfer may be reached by the middle of May and that if no unforeseen hitch occurs, the contract will be signed by the Soviet Union and Manchukuo in June.

C.E.R. Still Earns Large Profits

Mr. Rudy, the general manager of the Chinese Eastern Railway, announced in Harbin April 28 that the profit earned by this enterprise during 1933 amounted to more than 22 million gold roubles. It is estimated that the profits for the current year will be in the vicinity of 34 million gold roubles.

Bandits Capture Station on Eastern Section of C.E.R.

The Hsiachengtao station on the eastern section of the Chinese Eastern Railway was held by about 200 bandits for several hours on the morning of April 24. They attacked the station at 4 o'clock and occupied it at 6 o'clock, after defeating the Kirin troops guarding the station. Upon receipt of a report to this effect, the military authorities at Muling despatched a detachment at 7 o'clock which succeeded in repulsing the outlaws. The railway station was recaptured at 10 o'clock the same morning.

Soviets Make Military Preparations in Siberia

A traveller via Siberia, a well-known Hongkong foreign resident, reported on his arrival in the Colony last week that the Soviets are making unconcealed military preparations, lest hostlities break out in the Orient. In the course of a few days he said that he saw a steady stream of troop trains, field kitchens and other fighting paraphernalia going east. The most interesting sight to the traveller, however, was three completed submarines being transported in flat cars.

Soviets Stated to Be Building Air Bases in Kamchatka

Military air bases are being constructed at several points in Kamchatka by the Soviet Government as a measure of preparation against possible trouble with Japan a special dispatch from Moscow to the *Yomiuri Shimbun* stated under date of April 23. The dispatch added that it is believed to be the intention of the Soviet military authorities to "place these bases at the disposal of American air forces" in the event that "America becomes enthagled in armed conflict in the Far East."

Kalinin Makes Inspection Trip in Siberia

Michael Kalinin, head of the Central Executive Committee of the Soviet Union, arrived at Habarovsk accompanied by a group of military and technical experts on April 16 from Moscow and held important conferences with Red Army leaders.

Japanese Troops at Dolonor Reinforced

The Japanese troops at Dolonor are stated to have been further reinforced by a part of the Japanese 8th Division. It is said that on April 18, 500 Japanese troops arrived at Dolonor, bringing with them a large quantity of arms and ammunition as well as several tanks.

Reports from Shanhaikwan and Charhar state that the Japanese military authorites in Manchuria are rushing troops and military supplies, mainly consisting of tanks and artillery, to western Jehol along the Chinchow-Chaoyang railway. In the meantime, the Japanese are embarking upon an intense road-building program in Jehol with a view to facilitating military transportation. The Japanese troops at Chengteh, provincial capital of Jehol, are reported to be making preparations to transfer westwards. Under the pretext of recruiting for railway construction, the Japanese have concentrated an army of laborers at Tolun (Dolon Nor) and in the vicinity of Kuyuan, eastern Charhar. The Chinchow-Chaoyang Railway has been extended as far as Linguan, 120 miles east of Chengteh in southern Jehol. The construction of the railway between Chengteh and Lingyuan is being pushed forward feverishly. The number of Chinese workers recruited by the Japanese army is stated to have reached 120,000, while more Japanese and "Manchukuo" troops have been transferred to Jehol from Liaoning via the Chinchow-Chaoyang Railway. Protests of the Hopei Provincial Government against the recruiting of Chinese laborers have been ignored by the Japanese military authorities. It is generally believed in Peiping that the Japanese armies, in order to cope with the Soviet forces, are likely to first launch an invasion into Mongolia before taking action in North China.

Second Tongshan Strike Settled

The second strike declared by the workers of the Tongshan coal mine was settled April 22 as a result of the stern measures taken by the Chinese authorities. The ringleaders of the strike were arrested and the labor union was forcibly closed down by the special Chinese police. The workers resumed work unconditionally.

Secret Agents at Work in North China

A Chinese policeman was shot and killed by three gunmen in the French Concession in Tientsin April 25. The gunmen are said to belong to a certain secret organization which is formed by Manchukuo agents for the creation of disturbances at Tientsin. It is believed that a large number of secret agents have recently arrived at Tientsin from Manchuria and that they are doing everything possible to create disturbances in North China so as to give pretexts for future Japanese action. The Peace Preservation Corps at Tongsnan has discovered a secret seditious organization known as the Border Defence Headquarters of China, Japan and Manchukuo.

A Peiping message to the *Sin Wen Pao* April 23 stated that the Chinese authorities are finding it more and more difficult to handle the situation at Yutien where the disbanded members of the special police force are still creating trouble. So far about 900 unruly police have been disdanded, but they have got rifles from other sources and are still menacing that district. These police are said to be still acting under the command of Shih Yu-shan, a former army commander who later turned into a Manchukuo agent at Tientsin.

Wellington Koo Optimistic as to China's Future

Dr. Wellington Koo, Chinese Minister in Paris, and China's representative on the League Council, in a special article to the *Birmingham Dai'y Mail* March 8 said that Europe was apt to look on China as a country in a worse plight than most others, and with far less hope of pulling round. Actually, however, the reverse is the case, he said for it is from the East that the first breezes of returning prosperity will begin their welcome flight across the world. Industrialists in the West he added should not lose sight of the important fact that China is undergoing a period of transition, and it is China's ultimate aim greatly to raise the people's standard of living and then the first thing the people will want is better food and more clothes. Dr. Koo advocated a stable silver currency.

Japan Chronicle Editor Sees Bright Commercial Future for China

A. Morgan Young, editor of the *Japan Chronicle*, on a visit to Shanghai, gave an interview to the *China Press* April 25, in which he expressed the view that China will soon swing into her own, her manufactured products going to all parts of the world.

"As competitors in manufacture," Mr. Young said, "the Chinese have as great an aptitude for manufacture as the Japanese, and, in the opinion of many men of experience, have a greater aptitude for mechanics. Already there are complaints of the importation of the coarser counts of cotton into Japan from China. Japan's example has done more than anything else to create a new nationalistic feeling in China, and it seems to be impossible now to prevent the Chinese closing their market to foreign manufacturers. Even the remedy sought in the creation of Manchukuo may not always be effectual, he said.

T. V. Soong Tours Northwest

Interviewed at Nanking before starting for the Northwest last week T. V. Soong, declared that he would first visit Sian and then proceed to Lanchow and Hsining. With regard to the proposed National Reconstruction Finance Corporation Mr. Soong said that it was entirely a private business concern and has nothing to do with the Government. The main purpose of the corporation was to work for the industrial development of China. Mr. Soong added that the corporation would formally come into being after his return.

Mr. Soong arrived at Tungkwan from Honan April 25. After making a brief inspection around the strategic pass, Mr. Soong continued his journey and reached Sian the same afternoon, making the journey by automobile. While en route to Sian from Nanking, Mr. Soong stopped at Tungkwan, Hwanyi, Weinan, and Lintung. He was welcomed and joined in the last city by General Yang Hu-cheng, Director of the Sian Pacification Headquarters. At each of these places, he conferred with the local authorities, enquiring about the general economic situation and work of reconstruction in the North-west.

T. V. Soong and his party were given a rousing welcome at a public meeting held at the Sian Recreation Ground, Gen. Yang Hu-chen, Director of the Sian Pacification Headquarters, presiding. Mr. Soong in the course of a long speech outlined four major reconstruction projects for the Northwest dealing respectively with river conservancy, highway construction, agricultural reform and sanitary improvement. He said that in view of the immense wealth of the natural resources and the glorious historical background of the northwestern provinces particularly Shensi, which is the birthplace of ancient Chinese civilization, great possibilities exist for its future economic and cultural development, which will eventually revive the glory and prosperity witnessed centuries ago.

Tai Chi-tao, President of the Examination Yuan, on returning to Nanking April 26 from Sian, provincial capital of Shensi, expressed himself as highly gratified with the results of his recent tour of the North-west. He scoffed at the current remark that antagonisms were bound to obtain in the North-west on account of racial differences among the population. This view is absolutely unwarranted, he said, and is disproved by fact, inasmuch as the people in the three provinces he visited—namely, Shensi, Kansu and Chinghai (Kokonor)—though composed of different races, are living harmoniously together without prejudice or discrimination. With regard to the new N. W. Agricultural College, Mr. Tai said that the foundation of the institute having now been laid, it is incumbent upon the authorities to make the project a complete success.

Dr. H. H. Kung, Minister of Finance, has invited the following noted economists to participate in the deliberations at the forthcoming National Finance Conference: Li Chuan-shih, dean of Fu Tan University; Liu Te-chun, eminent statistician; Yin-chu, Chairman of the Economic Committee of the Legislative Yuan; Wei Ting-sheng, member of the Legislative Yuan; and Liang Lang-chiu.

The Secretariat of the National Finance Conference was formally organized in Nanking April 25.

In accordance with a recommendation of General Chiang Kai-shek, the National Economic Council has authorized the remittance of another $2 millions to Kiangsi for the rehabilitation of the districts newly recovered from the Communist bandits.

Central Bank Capital to Be Increased to $100,000,000

In order to expand the business of the Central Bank of China and to enhance public confidence in the institution, Dr. H. H. Kung, Minister of Finance and concurrently Governor of the Bank, has recently submitted a memorandum to the Executive Yuan recommending the increase of the capital of the Bank to the amount of $100,000,000. The proposal was approved by the Executive Yuan April 17.

Orders for materials for the construction of the Chung Cheng Iron Bridge (named after General Chiang Kai-shek) over the Kan River at Nanchang have been placed in America. The cost of the bridge will be borne by the Kiangsi Provincial Government.

The Central Bank of China has decided to establish several branches in foreign countries, including New York, London, Paris, Tokyo, Osaka, Yokohama, Sydney, Saigon and Hongkong.

Shanghai to Have Ammonia and Nitric Acid Factory

The annual report of the Imperial Chemical Industries, issued in London April 19 stated that during the past year sales in overseas markets were adversely affected by increased competition in Japan and China and by disturbed conditions and the low purchasing power of the latter.

The reality of the competition which the British chemical industry is experiencing is emphasized by the fact that an ammonia and nitric acid chemical factory will be completed during this year in Shanghai. The equipment is being imported from the United States and France. P. N Woo, managing director of the Tien Yuan Electro-Chemical Works, states that this concern will be China's first nitric acid factory, and will be supervised for the time being by H. Detwyller, who will arrive shortly in Shanghai from Seattle. A new company, known as the Tien Lee Synthetic Nitrogen Products Company, affiliated with the Tien Yuan Company, has purchased the equipment of the National Ammonia Company of Seattle, Washington, a former DuPont interest. New equipment for the manufacture of nitric acid has been purchased in France and will arrive here in two three months. A modern factory to house the equipment will be built near Soochow Creek opposite Brenan Road in Chinese territory.

Chekiang-Kiangsi Railway Construction Contract Signed

A contract has been signed between the Shanghai bankers and the representatives of the Cheking and Kiangsi Provinvincial Governments for a loan of $12,000,000 for the construction of a railway linking Yushan in Chekiang with Pinhsiang in Kiangsi. The loan will bear an annual interest of 7½ per cent and will be refunded by instalments after the railway has started to function. The total cost of the railway construction is $60,000,000, part of which will be financed by the Ministry of Railways.

A recent Hangchow message stated that reorganization of the Hangchow-Kiangshan Railway Administration under the Chekiang-Kiangsi Joint Railway Corporation is to become effective this month.

Shanghai-Ningpo Telephone Service Planned

Under the auspices of the Ministry of Communications a long distance telephone service will be established between Shanghai and Ningpo. The line will go from Shanghai to Hangchow, Shaohsing and then to Ningpo. The Shanghai-Hangchow section of the line has already been established and work on the Hangchow-Shaohsin section of the line will begin immediately. The cost of the line is estimated at a little more than $100,000.

Work on Wuhu-Nanking Railway Is in Full Swing

Construction of the Nanking-Wuhu section of the contemplated Nanking-Foochow Railway is now in full swing. The Nanking-Wuhu section of the line is expected to be completed before the end of this year and it will be linked up with the Shanghai-Nanking Railway. The line will be further extended to Yihsien in Anhui during next year.

Survey work on the new highway linking up Sian, the provincial capital, with Hanchung, in southern Shensi, was started April 22 when a group of engineers of the North-Western branch of the National Economic Council, headed by Sun Fa-sui, Chief Engineer, set out along the proposed route. Survey operations are expected to be completed within a month.

Coal Mining Company to Be Organized at Tsingtao

The Shantung authorities have perfected arrangements with a group of leading merchants and industrialists in Shanghai for the establishment of a large-scale coal mining company at Tsingtao. The Company is to be a private commercial enterprise to operate under official supervision. The capital of the projected organization has been fixed at $600,000.

Paoshan Dikes to Be Repaired

In view of the dangerous condition of the dikes along the Paoshan sea-coast the Kiangsu Provincial Government has decided to take immediate steps to have the dikes repaired before the

high tide season sets in. The dikes are 500 Chinese li in length and protect the coastal cities of Changshu, Taitsang, Paoshan, Chuansha, Nanwei, Fengsien, Sungkiang and Chinshan. Reports on conditions of the different waterways in East and North China, together with charts and recommendations for the improvement of conservancy work, have been forwarded by the National Economic Council to the various conservancy organs concerned for reference and enforcement.

Hangchow Railway Pays $273,230.77 to British and Chinese Corapration

A sum of £18,500, equivalent to $273,230.77 was remitted to London last week through the Hongkong and Shanghai Banking Corporation by the Shanghai-Hangchow-Ningpo Railway Administration to meet loan obligations due to the British and Chinese Corporation.

British Boxer Indemnity Meeting Approves Various Loans

The 23rd meeting of the Board of Trustees for the British Boxer Indemnity Refund was held in Hangchow April 24 under the chairmanship of Dr. Chu Chia-hua, Minister of Communications and concurrently Chairman of the Board. The following loans from the British Boxer Indemnity Refund were approxed: A loan of £200,000 to the Ministry of Communications for the installation of a telephone system linking up nine provinces, a loan of £160,000 to the Chekiang Provincial Government for the construction of a railway bridge over the Chien Tang Kiang (river), which is to be jointly undertaken by the Chekiang Provincial Department of Reconstruction and the Ministry of Railways and a loan of $2,060,000 to the Huai River Conservancy Board for the construction of sluices.

Shanghai Commercial Bank Made $837,002.37 Profit Last Year

The Shanghai Commercial and Savings Bank for the year ending December 30, 1933, showed a net profit amounting to $837,002.37, according to the report read at the bank's annual shareholders' meeting held March 28. Chin Tsung-cheng, manager, presided over the meeting on behalf of K. P. Chen, managing-director of the bank, who was unable to attend. K. P. Chen together with Messrs. Chwang Te-chih and Yang Tun-pu were re-elected on the board of 17 directors for the ensuing year. Newly-elected directors of the bank include Dr. H. H. Kung, minister of finance and concurrently vice-president of the Executive Yuan and Messrs. Yang Chieh-mei, Chu Ming-ta, Hsia Hsiao-fang, Chin Tsung-cheng, Huang Chao-nan, Huang Ching-chuan, Wang Wei-ying, Pei Tso-an, Li Tung-tsun, Chin Po-ping, Yung Tsung-ching Hsu Ching-jen and Li Ming.

Tientsin Flour Mills Ask Government Aid

Only five flour mills in the Tientsin area are now operating. In order to find means of relief, a joint meeting of the surviving factories was held April 28 when it was decided to request the Peiping-Liaoning Railway Administration to reduce the freight rates on flour. The Ministries of Finance and Industry will also be petitioned to devise measures of assistance in accordance with the precedent set for flour mills in Shanghai.

Canton-Peiping Air Line Successfully Inaugurated

The new Peiping-Canton air mail and passenger service was opened May 1 by the Eurasia Aviation Corporation. Two planes hopped off from both ends of the air route about the same time in the afternoon. They met in Loyang where the passengers and planes stayed overnight to resume their journey the following morning.

This new line links up with the Yangtsze River run of the China National Aviarion Corporation at Hankow and with the Eurasia Shanghai-Tchukuchak line at Loyang. The line passes through Taiyuan, Loyang, Hankow, Changsha and Canton, a total distance of 2,200 miles. A plane is scheduled to leave Peiping and Canton every Tuesday and Thursday. Passenger fares will be as follows: From Peiping to Taiyuan $60; from Taiyuan to Loyang $40; from Loyang to Hankow $50; from Hankow to Changsha $50; from Changsha to Canton $150.

Sikorsky-16 Now Being Repaired

The China National Aviation Corporation's Canton run will probably not materialize until the arrival in July of the two new 20-passenger Commodore flying-boats ordered for the line. The Sikorsky-19, which was towed from Chinghai after being damaged in Hangchow Bay while on search for the ill-fated Sikorsky-16, arrived in Shanghai last week and work on repairing it has begun. However, the resumption of the line with the single plane is so far not contemplated.

Large Airfield Being Built at Changchow

Under orders of General Chiang Kai-shek a large airfield is now under construction at Changchow. Five thousand men are engaged on the work. The field will be big enough to permit a full squadron of airplanes to land at one time. The cost of construction is estimated at $119,000.

South China Military Commander Forms Aviation Company

The Southwest Aviation Company organized by General Chen Chi-tang, commander of the Cantonese Army, was formally inaugurated at Canton on May 1, as a joint enterprise of government and commercial interests in the provinces of Kwangtung and Kwangsi, General Li Tsung-jen, commander of the Kwangsi Army, being the co-founder of the company. A total of $600,000 has been collected as the initial capital.

Existence of Kwangsi-Annam Aviation Pact Denied

The report that the Kwangsi authorities have concluded an agreement with the French authorities in Annam for establishment of an air service between Kwangsi and Annam has been denied by the representative of the Kwangsi Provincial Government in Canton. According to the Hong Kong *Chao Jan Pao*, the representative admitted that the Kwangsi authorities had been approached by the French for the conclusion of such an agreement but the request was turned down.

Agreements concluded between the Southwestern Civil Aviation Corporation and the Postal Administrations in the S. W. provinces, for the carrying of mails by the Canton-Lungchow (Kwangsi) and Nanning (Kwangsi)-Kweiyang (Kweichow) Airways, have been approved by the Ministry of Communications. Chi Chen-wu, Director of the Business Department of the Aviation Corporation, who was despatched to Nanking to secure the sanction of the Ministry, has since returned to Canton.

Commandant Fieschi, French Air Attache, arrived back in Shanghai April 26 after a trip to Kiangsi, during the course of which he paid a call on General Chiang Kai-shek in Nanchang. He later visited the Hangchow Aviation School.

The Huchow Vocational Primary School drew ticket 371485, the second prize of the National State Lottery. The students of the school, who have a share in the $100,000 prize, will purchase an airplane for the Government with the money.

The inaugural flight of the Canton-Lungchow Airline took place April 20. The flight was greeted with enthusiasm at both terminals. The line has been established by the Southwestern Aviation Development Corporation, a private commercial enterprise.

The Executive Yuan has authorized a change in aviation administrative affairs, hitherto in charge of the Ministry of War, so that they will be placed under the jurisdiction of the Aviation Administration.

A brief service in memory of Hobert Frink and Ivan Karlson, two Americans who perished when the Sikorsky-16 disappeared in Hangchow Bay last month, was held at the Community Church, Shanghai, April 26 by Rev. Emory W. Luccock, pastor.

Soviet Stratosphere Conference Adjourns

The first All-Union Conference for the Study of the Stratosphere completed its work in Leningrad April 6. The chief result of the conference lies in the fact that it defined the role and place of the various branches of science and technology in the conquest of the stratosphere; also defined the course of its physical qualities, and the processes involved in same. The conference expressed the hope that an international congress will be convened in the Soviet Union in 1936 devoted to the study of the stratosphere, and furthermore that the congress be timed to coincide with the eclipse of the sun which will be observed in the Soviet Union in 1936.

The first trial flight of the new giant Russian plane *Maxim Gorki* is to take place shortly. It is an all-metal machine carrying eight motors and is expected to reach a sheet of 150 miles an hour. The span of the wings from tip to tip is 200 ft. and the machine has fuel reserves sufficient for a flight of 1,200 miles.

Russia now ranks third in the world in the length of its air lines, second in respect to air mail and first in the use of aircraft in forestry, agricultural and patrol work, according to the *Aero Digest*. Studies prepared in co-operation with the Amtorg Trading Corporation show that during the past few years the Soviet has spent an average of U.S. $80,000,000 a year on the development of its civil air fleet and intends to spend more, so as to successfully complete the terms of its second Five-Year Plan.

Airplane Manufacturers Interested in Japanese Statement

The *New York Times* in a recent issue stated that the reports of the opposition of the Japanese Government to the sale of airplanes in China by foreign countries had aroused great interest among those connected with airplane manufacturing in the United States, in view of the fact that the companies sold $2,800,000 worth of airplanes to China last year. Japan, Germany, France, Great Britain and Italy had previously been supplying the Chinese aircraft market. It was only a few years ago that the United State entered the field. The *Times*, after giving details of sales of airplanes by various American airplane manufacturers, through their representatives to China declared that the various undertakings of American aviation firms in China, and the activity of American pilots in teaching Chinese fliers, cannot in any sense be regarded as constituting a military obligation to China on the part of the United States.

Who's Who in China

樓光來
Low Kwang-lai (Lou Kuang-lai)

Low Kwang-lai, Government official; born at Chenghsien, Chekiang, 1896; B.A. Johns Hopkins University; M. A. Harvard University; head of English Department of Southeastern University, Nanking 1924-25; head of English Department of Nankai University, Tientsin 1925-26; professor of English at Tsing Hua University, Peiping, 1926-27; acting dean of College of Arts of Central University, Nanking 1927-28; head of English Department of the same University 1928-31; assisstant Director of Intelligence and publicity Department of Ministry of Foreign Affairs since 1933; address: Ministry of Foreign Affairs, Nanking.

樓光來，年三十八歲，浙江嵊縣人，美國霍斯金大學文學士，哈佛大學文學碩士，回國後，歷任南京東南大學英文系主任，天津南開大學英文系主任，北平清華大學英文教授，南京中央大學文學院代理院長兼英文系主任，現任外交部情報司幫辦，通信處，南京外交部情報司。

Dr. Hu Shih Arranges Divorce Out of Court

One of the most protracted and celebrated divorce cases in the legal history of Peiping was settled out of court last week. Through the mediation of Dr. Hu Shih, dean of the College of Arts of the National University of Peking, Professors Shen Shou-yi and Chu Kwang-chieh of the same university, Liang Tsung-tai, Professor of French, has agreed to pay $6,800 to Mrs. Liang, nee Ho, as alimony in return for her consent to a divorce. The settlement was sanctioned by the Hopei Branch Court April 25 in the presence of the contending parties.

Deputy Australian Prime Minister Entertained in Shanghai

J. C. Latham, deputy prime minister of Australia, who has been in Shanghai during the past week, enroute to Japan, explained in interviews while here that he is on a good-will mission to China and Japan. He pointed out that the idea that Australia is a British colony is erroneous; it was a self-governing Dominion. Mr. Latham during his stay here was entertained by the Anzac Society, by Louis Beale, British Commercial Counsellor, Mayor Wu Tai-chen, and also at a cocktail party given by Mr. and Mrs. Gockson, at their home in Bubbling Well Road.

Mr. Latham is due in Kobe May 9. Japanese politicians and business circles are making great preparations to welcome Mr. Latham. The Japanese have in mind dealing direct with Australia both commercially and politically, without the intermediary of England, and see in Mr. Latham's visit a step in this direction.

Japanese Delegates Canvas for Egyptian Trade

The Japanese trade delegation en route to Japan from London visited Egypt on the way. In Cairo they talked to the Egyptian authorities regarding the possibilities of increased Japanese purchases of raw cotton in exchange for wider markets in Egypt for Japanese manufactured goods.

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The China Weekly Review
160 Avenue Edward VII
Shanghai.

Men and Events

An exhibition of modern Chinese paintings and drawings organized by "VOKS" will be opened in May in Moscow.

The inauguration of direct radio communication between China and Italy is scheduled to take place in August next.

R. H. Gregory, director of the British Cigarette Company, is ill at the Country Hospital where he was operated on this week.

The Hwa Yin Arsenal located in the outskirts of Sian is being converted into a factory for the manufacture of farm implements.

Nine sailors of the Chinese gunboat *Tungchi* were drowned April 22, as a result of the capsizing of a sampan on the Yangtsze River.

The French Consolate-General in Nanking April 27 categorically denied Japanese press reports that French troops have invaded Yunnan province.

The Ministry of Justice has transferred Dr. Ying Shih, president of the District Court in the French Concession, to Soochow, where will become President of the Soochow District Court.

Teng Kuei, F.R.SA., delivered a lecture entitled "Bamboo and Bamboo Painting" before the North China branch of the Royal Asiatic Society May 3. It was illustrated with lantern slides.

Dr. E. C. Carter, secretary-general of the Institute of Pacific Relations, arrived in Peiping April 25 from Shanghai by the through express accompanied by Mrs. Carter and Mr. Liu, secretary of the China Council of the Institute.

Dr. Wang Wen-hao, noted geologist who was recently injured in a motor-car accident, left the Kwang Chi Hospital at Hangchow April 27. He later proceeded to Peiping to enter the Union Medical Hospital there for further treatment.

Japan is the title a new reference work which has just been published in Moscow purporting to impart information about Japanese economy, politics, history and culture. According to the Soviet press the new book manifests definite anti-Japanese tendencies.

The Mongolian and Tibetan Affairs Committee has decided to request the Nanking City Government to allot a piece of vacant land for the construction of offices for the Nanking representatives of the Mongolian, Tibetan and Mohammedan authorities.

No levy other than the Customs duty may be imposed on gasoline and petroleum, a dispatch from the Ministry of Finance to the Szechuan Provincial Government warned April 27. Reports had been received that an extra levy has been imposed in Chungking.

General Chiang Kai-shek has issued a circular order to the provinces to the effect that all Chinese citizens owe it as a duty to serve the country for three days each year in whatever work is assigned to them by the authorities. For this service the citizens are not to get any remuneration.

The American authorities in Shanghai have returned an official finding that Belle Grooch, wife of Willism S. Grooch, threw herself and two small sons off the roof of the Washington Apartments on January 19 while Mrs. Grooch was "temporarily insane," thus meeting instant death.

Robert Barnett, 22-year-old son of E. E. Barnett, personnel secretary of the Chinese National Committee of the Y.M.C.A., is expected to arrive in Shanghai early in June. He will spend about two months in China before continuing on around the world to England, where he will enter Oxford.

Dr. W. W. Yen, Chinese Minister to Soviet Russia, returned to Tientsin April 25 after a visit to Peiping. Dr. Yen announced that he will remain in Tientsin for a month, following which he will proceed to Nanking to seek instructions from the Government. He said he expected to return to his post in Moscow in June.

Dr. Wang Shih-chieh, Minister of Education, delivered a speech on the fundamental problems of education in China at the Provincial Party Headquarters in Hangchow April 24. Minister Wang placed special emphasis on the importance of centralized control over private schools, and the independence of educational funds.

Six kidnappers were taken from the First Special District Court in Shanghai April 30 to Tsaohokin for execution. The leader was sentenced to death on charges of having kidnapped one Wan Hai-sung in Kwangse Road near Swatow Road, at 7.45 p.m. on January 23. He embraced his wife and babies in court, with tears in his eyes.

Yotaro Sugimura, former Assistant Secretary-General of the League of Nations, who last autumn gained prominence by expounding the Japanese idea of dealing regionally with China, has been selected for the post of Japanese Ambassador to Rome, in succession to Hajime Matsushima, who recently informed the Foreign Ministry of his intentions to retire.

The United States Minister to China, Nelson T. Johnson, arrived in Nanking May 2 by steamer from Kiangsi, where he had an interview with General Chiang Kai-shek. In continuation of his tour of Yangtze ports, the Minister is due to arrive in Shanghai May 6 to meet Professor James Rogers, United States monetary expert.

Brigadier-General Fredric L. Bradman, who is making an inspection tour of U. S. Marine forces in the Far East, inspected the French troops here April 28. Later on the same day Gen. Bradman visited Mayor Wu Te-chen, of Greater Shanghai at the City Government. A guard of honor was lined up in front of the government building when the general arrived.

A set of regulations governing the despatch of Social-Letter Telegrams (SLT) has been promulgated by the Ministry of Communications. According to these regulations, SLT messages include New Year or Christmas greetings, birthday or condolence messages, wedding announcements, etc. Such messages must be marked with the abbreviation "SLT," which will be charged as one word.

The new one-million-dollar dry-dock of the Kiangnan Dockyard in Shanghai, which is nearing completion, will be inaugurated on June 1, according to Admiral Chen Shao-kwan, Naval Minister. The opening of the new dock will also mark the launching of the two new gunboats *Changning* and *Chengning* and the commissioning of the *Ining* and *Tsungning* into the river fleet.

According to Lo Wen-kan, Minister of Judicial Administration, it is impossible for the time being to carry out the Government's plan of sending convicts to the Northwest for reclamation purposes in view of financial difficulties and inconvenience in communications. The project, he added, will be carried out gradually as plans progress for the development of the Northwest.

The Debating Club of the Foreign Y.M.C.A. had before it at a meeting May 3 the subject, "Resolved, that the political salvation of the world lies in dictatorship rather than democracy." The "Y" club was represented by Messrs. H. C. Faulder and P. G. Sixsmith, while Messrs. Robert K. Burns and Lyle M. Spencer, Jr., two young men from the University of Washington, took the opposing side.

Complaints were received at both the Executive Yuan and the Ministry of Finance last week from villagers at Kwang Wha Petroleum Company's Gough Island, Pootung, against the large oil reservoir there. The villagers charged that the company has commandeered some 2,500 square feet of their land without paying any compensation. The Kwang Wha Petroleum Company is a Chinese firm dealing chiefly in Soviet oil.

Dr. H. H. Kung, Minister of Finance and concurrently vice-president of the Executive Yuan, departed from Nanking April 25 on board the customs cruiser *Haihsing* on a two-weeks inspection tour throughout the provinces of Kiangsi, Anhwei, Honan and Hupeh in the interest of financial matters, accompanied by his wife and Jabin Hsu, his secretary. Dr. Kung first visited General Chiang Kai-shek, at Kuling, for a conference.

Indictments charging one Frenchman and two Japanese with smuggling diamonds worth Yen 1,106,500 were returned by the examining magistrates office of the Tokyo District Court April 26. The men, N. Tecla, a Syrian with French papers, and Eizo Tsunotani and Toyoteru Minowa, are said to have confessed to having smuggled the diamonds into Japan during the past three years. The stones were obtained by Charles Chalhoub, also French, who has offices in Paris.

General Chen Yi, Chairman of the Fukien Provincial Government, has telegraphed to the Provisional Headquarters of the President of the Military Affairs Commission at Nanchang, urging the despatch of special deputies to Fukien to look after the salt problem. The Fukien chairman has taken this step, it is understood, as certain profiteers have been found supplying salt to the Reds, and as it has been reported that the price of salt, especially in northern Fukien, is being raised by dealers.

Milton J. Helmick's Appointment Confirmed

The appointment of Milton J. Helmick of Albuquerque, New Mexico, to be judge of the United States Court for China, was confirmed by the United States Senate April 25. Judge Helmick was formerly a Superior Court Judge for the State of New Mexico, and has been a leading figure in Democratic politics in New Mexico for many years.

The clerk of the U. S. Court, on receiving news of the confirmation of Mr. Helmick's appointment, sent a cable to Judge Helmick, asking for authorization to issue summonses in the latter's name. The date of the Judge Helimick's departure from the United States has so far not been announced.

Japan Will Insist on Parity at the Naval Conference

A hint that the Japanese Government will demand parity with Great Britain and the United States at the forthcoming naval conference, was given by Matsuzo Nagai, the Japanese Ambassador to Germany, in an interview published April 24 in the *Rheinisch Westfalisch Zeitung*. Mr. Nagai stated that the Japanese Government is convinced that the disparity in naval armaments must be removed at the forthcoming naval conference. Japan must have guarantees for national safety based on the equality of naval armaments which alone can guarantee lasting peace. Japan has the greatest interest in an agreed settlement for all problems in the Pacific. The policy of the Japanese Government, he argued, is aimed solely at guaranteeing the internal safety of Manchukuo and is in no manner directed against Soviet Russia which has no need to fear anything from Japan as long as she refrains from aggravating the present situation.

It will be the settled policy of the Japanese navy, according to the *Japan Chronicle* of April 22, to claim at the second Washington Conference revision of the present naval ratios, and equality of rights in arming. Among the other issues which promise to evoke heated debate at the Conference are the reduction of the size of battleships, and the abolition of submarines, aircraft-carriers and cruisers with decks for airplanes. With regard to the question of reducing the size of capital ships, the Japanese Government, in its proposals laid before the Disarmament Conference at Geneva, insisted on 25,000 tons in size and 14-inch gun armament. Britian was in favor of 25,000 tons and 12-inch guns, and thus her proposals approached Japan's. America, however, stood unyieldingly to her claim of 35,000 tons and 16-inch guns. At the same Conference, Japan proposed the abolition of the cruisers with airplane decks, but no notice was taken of this proposal by the other two Powers. As regards submarines, Japan offered absolute opposition to their abolition, which was urged by both Britain and America. Japan is unchanged in her stand in this matter, and is expected to oppose their abolition as stoutly at the forthcoming Washington Conference as at the Geneva Conference.

Japan Builds War Ships So as to Be in a Bargaining Position

Japan, according to the *United Press*, is proceeding with the rapid construction of 16 warships to modernize and strengthen her sea power. A survey shows that completion of these warships will leave Japan still 64,100 tons under treaty strength. The Japanese Navy heads are planning to go ahead with a second building program with appropriations which already have been approved. The money being spent on each of the ships has been kept secret although the Diet was said to have been informed in an executive session. The Japanese admittedly are proceeding rapidly with their building program so, like the United States, they will be in a good bargaining position when the existing treaties expire.

Admiral Ryozo Nakamura, commandant of the Kure Naval Base, was appointed a member of the Supreme Military Affairs Council and Chief of the Bureau of Naval Construction April 27. This is the first time a full admiral heads the construction bureau. This step, *Rengo* understands, was taken in view of the criticism recently directed at the Navy Department following the disaster met by the torpedo boat *Tomozuru*.—which capsized during maneuvers with a heavy loss of life.

U. S. Fleet Passes Through Panama Canal in 47 Hours

The entire U. S. fleet passed through the Panama Canal in 47 hours (April 23-25)—the greatest shipping feat in history. All commercial traffic was stopped in favor of the more than a bundred war vessels, which passed through the canal without any mishap of a major nature. The eventual aim of Admiral David Foote Sellers is to pass the fleet through the Canal in 24 hours. On May 4 the fleet will proceed to Guantanamo Bay for maneuvers.

A sham air attack on the Panama Canal was carried out by 30 naval aircraft April 21. Having finished their maneuver the planes flew back to the aircraft carriers which at that time were still miles away at sea.

A declaration that the American Navy will remain a third-rate force unless funds are provided to carry out the construction authorized by the Vinson-Trammel "Second to None" Navy Bill was made in Washington April 27 by the United States Navy League. The League statement contained a plea that Congress should take the necessary action in connection with the forthcoming supplementary appropriations Bill. It concluded by declaring that the time has come to bring the United States Navy up to full treaty limits.

Twelve nations on the American contiment signed an anti-war pact, at Buenos Aires April 27. The countries represented in the agreement are the United States, Bolivia, Cuba, Ecuador, Salvador, Guatemala, Venezuela, Panama, Nicaragua, Honduras, Costa Rica and Haiti, while Peru is expected to sign later, It is believed that the pact will goa long way towards stabilizing conditions in South America.

CUSTOMS NOTIFICATION No. 1356

The public is hereby informed that the Government have decided to accord more favourable duty treatment to foreign wheat used for the express purpose of milling wheat flour for eventual export abroad and have accordingly introduced a set of seven rules providing for the refund of a part of the Import duty on foreign wheat used in China for milling flour which is exported abroad within one year from the date of importation.

An English version of the seven rules referred to is appended hereto.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 28th April, 1934.

APPENDIX

Provisional Rules of Procedure Governing Refund of Import Duty Paid on Wheat used for Milling Wheat Flour exported Abroad.

(1) The import duty paid on foreign wheat used by flour mills may be refunded, provided such wheat is made into flour and exported abroad in the form of flour within one year from the date of its importation. The import duty refundable on wheat is to be calculated on the basis of 100 kilogrammes wheat = 75 kilogrammes flour, the amount of import duty refunded being fixed at 80% of the duty originally paid.

(2) When applying for refund of import duty on wheat used for milling wheat flour exported abroad, flour mills shall submit to the Customs, prior to exportation of the flour, an application, in triplicate, together with all documentary proofs of payment of import duty on the wheat in question, as well as the shipping order signed by the official agent of the steamer or tarin as the case may be.

(3) The application for refund of import duty paid on wheat used as raw material shall contain the following particulars:

(a) Name and address of the flour mill concerned.

(b) Description, origin or place of production, date of importation, and quantity of the wheat used and name of steamer or train by which the wheat in question was imported.

(c) Trade-marks, numbers, quantity, and date of exportation of the flour concerned, the name of the exporting steamer or train, and the place of shipment.

(4) In cases where the Wheat used as raw material was not imported direct by the flour mill, any documentary proofs certifying the sale of the wheat by the original importer to the mill shall also be produced to the Customs for verification.

(5) Import duty paid on wheat used for milling wheat flour is only refundable provided the flour is exported through the Customs at which the wheat from which it was milled was originally imported.

(6) When an application for refund of import duty paid on wheat is sanctioned, the Customs shall issue a "Wheat Duty-Paid Certificate" (小麥納稅證), but such certificate shall only be accepted in payment of import duty on future importations of wheat.

(7) In dealing with cases concerning application for refund of import duty paid on wheat, the Customs may conduct the necessary inspection at the flour mills concerned.

New Books of Interest in the Far East

The Modern Melange in China, U.S.A. and Australia

Oil for the Lamps of China, by Alice Tisdale Hobart; published by the Bobbs-Merrill Company, Indianapolis, Indiana, U.S.A.

Passions Spin the Plot, by Vardis Fisher; published by the Caxton Printers, Ltd., Caldwell, Idaho, and Doubleday, Doran & Company, Inc., Garden City, N. Y., U.S.A.

Larrikin, by Louis Stone; published by Ray Long and Richard R. Smith, Inc., New York City, U.S.A.

All of these novels are characterized by a ruthless realism in the Zolaesque tradition; each is by a comparative unknown in the realm of literature; none is a great novel, but all three are exceedingly interesting and well worth reading.

Mrs. Hobart's is the best and, naturally, also the one in which Far Easterners will be most interested. Long a resident of China where she was the wife of an American business man, Mrs. Hobart essays to describe what, so far as this reviewer is aware has never before been attempted,—a detailed picture of the inside of an American big business in Cathay. Although she delicately disavows painting "a portrait from life," one cannot help but suspect that her novel is largely drawn from very real life, and perhaps even from the life of herself and her husband.

The central characters in the book are Stephen, an employe of "The American Oil Company," and his wife, Hester. The scene ranges from Manchuria to the Yangtsze Valley, and the *motif* is the development of "a company man" and the wife of "a company man" during the course of almost two decades from prior to the 1911 Revolution to the Nationalist Revolution of 1925-26-27. It is not a pleasant picture, not can it be briefly summarized, but it rings true and this reviewer unhesitatingly recommends the book as required reading for everyone who can read English from the Amur to the Irawaddy. Further, it should be translated into Chinese.

Any novel about China today inevitably challenges comparison with the books of Mrs. Pearl Buck. There is really, however, little to compare between Mrs. Hobart and Mrs. Buck. Both, to be sure, deal with the China scene, but Mrs. Buck writes primarily about Chinese while Mrs. Hobart deals primarily with foreigners in China. Mrs. Hobart's Chinese are those associated with foreigners and as foreigners see them,—which is to say that they are somewhat incomprehensible. It must not be assumed, however, that Mrs. Hobart is in any way unfair to the sons of the Han. She is, in fact, quite sympathetic, as shown by her treatment of "squeeze." The average foreigner views "squeeze" only as a reprehensible heathen trait; Mrs. Hobart dips deep enough into poignant reality to show clearly its economic basis in the terrible poverty of the Chinese people.

Nor is it any criticism of Mrs. Hobart to say that her Chinese are rather incomprehensible, for her book is all the more a realistic description of the foreign business man in China by virtue of this fact; in their rather shadowy outlines, her Chinese form a perfect foil for her chief characters. Mrs. Buck probably would not be as successful as Mrs. Hobart in treatment of a similar theme, for the foreign characters would probably be sacrificed to depict the Chinese. And there is more than ample room for many more books like those of both Mrs. Hobart and Mrs. Buck.

Mrs. Hobart assuredly has a better understanding of the Chinese—the word is here used with especial reference to the masses of the country who have been little or not at all affected by westernization—than most foreigners. She evidently speaks the Chinese language quite well and she has spent much time in the remote interior. But a knowledge of language alone is by no means a complete key to personality, for there are three distinct aspects of personality. One is the *conative*, which any acute observer can perceive without more equipment than a good knowledge of psychology. Another is the *cognitive*, the key to which is language. But the perhaps more important *affective* side can only be appreciated by a close association that probably must begin in childhood, combined with both acute power of observation and knowledge of language. So far Mrs. Buck is the only foreign author who has revealed profound ability to portray a *complete* Chinese personality, but Mrs. Hobart demonstrates a sufficiently adequate knowledge of Chinese conation and cognition to limn in memorable manner the life of an American business family in Cathay.

Passions Spin the Plot is an exquisitely written second volume in the tetralogy of Vridar Hunter, the scion of a pioneer family in the rural, inland west of the U.S.A. In this volume Vridar attends college—the first of his clan to do so—in Utah, and the book is devoted to a merciless picture of American college life and what might laughingly be called Vridar's sexual life, for he remains a virgin throughout the story despite many temptations to which a less idiotic mooncalf would have gladly succumbed. In fact, Vridar is almost too silly to be entirely credible, although admittedly the possibilities in the mooncalf type are almost limitless. But even if one cannot sympathize with, or even believe in Vridar, the book is worth reading for its scenes of what the late Thorstein Veblen described as the "American *hire* learning."

Australia so far has always been more deservedly famous for its kangaroos than its culture, wherefore *Larrikin* is especially worthy of a big hand. Written by an Australian, the book gives a vivid description of the Sydney slums and the rise of one of its hunchback products to big business success by tactics that are closely akin to those he found successful when he was leader of a petty gang. Jonah, the hunchback, and the other main characters all live and breathe as real human beings in Mr. Stone's pages, and the story gives evidence of being as accurate as it is interesting although this reviewer must disavow any first-hand knowledge of Sydney.

A very necessary glossary is included in Mr. Stone's book, for they seem to speak another English in the Anzac realms. "Larrikin" means a "rowdy," or "tough." "Graft" is hard work instead of "squeeze!" And an amazing phrase, "fair dinkum," is defined as "the entire truth; absolutely (often used interrogatively and with a sceptical inflection)."

Well, it is interesting to learn that we Americans don't murder the King's English quite as much as some of his presumably loyal subjects.

W. B.

As a Chinese Sees the United States

As Oriental View of American Civilization, by No-Yong Park. Hale. Cushman and Flint, Boston and New York, 1934.—128 pages.

After we have read the many books on China and the Chinese produced by a variety of foreigners regarding the Orient from as many angles it is indeed refreshing to take up this book in which the kindly author applies the Chinese Doctrine of the Mean as a yardstick to our American people, their habits and institutions.

Dr. Park is a Harvard University man who has lived in the United States some years and has recently been lecturing there. He has an excellent sense of humor and as he considers himself "the recipient of American kindness and hospitality" his observations have few barbs, though their sting is often sharp under their witty phrasing. Dr. Park writes of the vices and virtues of Americans, of American women, homes, democracy, education, journalism and destiny. One of his most arresting chapters is headed, "Franklin D. Roosevelt and Confucius!" From it we glean the following paragraphs:

"Although it may be objected that the comparison between Roosevelt and Confucius is not a very good one, it sounds more reasonable to me than that between Roosevelt and Mussolini or Staiin. Roosevelt is a compromiser while the others are extremeists. One is a liberal and the others are radicals. One is evolutionary and the others are revolutionary. One pursues a policy of moderation and conciliation while the others resort to measures extreme and intolerant. One is a semi-dictator chosen by the people according to the law, and will retire by law, while the others are, for the most part, self-appointed dictators who seized the government by brute force and exercise power by mob action, and cannot presumably be disposed of except by revolutions and funeral coaches . . . . . Since over-production of certain articles upset economic equilibrium, the President of the United States naturally undertook to pursue a policy of birth-control, hog birth-control, wheat birth-control, corn birth-control and so on . . . . . It may be too much to expect that all will be satisfied with Roosevelt's policies and programs which are, for the most part, based on the principle of the mean. But I wonder how much more satisfaction a nation can gain by resorting to extreme measures."

In "Clown Worship in America" we find a few saddening truths about Hollywood and the movies. Here is one on this subject,—"The danger resulting from the worship of actors and actresses is incalculable. The wisdom of the ancient Chinese anticipated such unfortunate results as these and made the actor forever an outcast. Though the Chinese practice is unjust from the standpoint of the entertaining classes, it is much more sensible than the American practice from the standpoint of the innocent public. The one makes it difficult for the entertainers to do society much damage; while the other exposes all the morals and traditions of society to the caprice of a few clowns whose morals, character and personal integrity are questionable. One the whole, the practice of both countries is objectionable. Both extremes should be avoided and a happy medium worked out."

This book is clever and entertaining. It is truthful also, and deserves wide reading. Those who continually hear only one side of things tend to have their judgments warped. To see ourselves as others see us is therefore valuable and Dr. Park has used a pleasant doctrine upon which to base his criticisms of American people and ways.

G. B. S.

April 19, 1934.

China Reconstruction & Engineering Review

Many interesting and important articles, most of them profusely illustrated, are contained in the latest issue of *The China Reconstruction & Engineering Review* which appeared last week.

Governor Shao Li-tsu, of Shensi, writes on "Plans to Develop China's Great Northwest." Dr. Herbert Chatley contributes a sketch of the late Sir Frederick Palmer. "The 5-Inch Theodolite in Surveying" is discussed in detail by E. G. Ross, a prominent Australian surveyor who recently came to Shanghai.

Other special articles include an accounts of the Italian Littorinaa rail motor cars and their feasibility in China, the portable plants for road constr.ction that have been developed in Germany, the development of the Sakha'in oilfields, and the new municipal abattoir in Shanghai.

Publication of *The China Reconstruction & Engineering Review* started last January, and in contents, format and make-up the magazine equals the highest standards of similar publications in the West. The magazine is the first venture of its kind in China, being completely non-political, and it is evidently achieving the success sought by its publishers. E. H. Chu is managing editor.

Recent Pamphlets Received

The College of Agriculture and Forestry, University of Nanking, has issued a final report on the Plant Improvement Project conducted by the University of Nanking Cornell University and the International Education Board. The author is C. H. Myers.

A radio address on "Humanity on the March" delivered by Robert Cromie, publisher of the *Vancouver Sun*, March 25, has been reproduced in brochure form. As a whole, the address was a boost for Canada.

China Famine Relief Commission Does Splendid Engineering Work

The China International Famine Relief Commission has published its report on the engineering accomplishments (famine prevention and relief projects) for 1932-33. O. J. Todd, the chief engineer, in a foreword to the report stated that during the year under review, as in former years, the Commission's engineering work had rapidly tapered from famine relief to famine prevention. In each instance to Commission had been called into a community by some calamity that was due to natural causes such as flood or drought. Then the engineers remained to construct some utility that would aid in preventing a recurrence of a like calamity. Building these permanent famine preventing works in remote regions continues to be the chief aim of the Commission. One of the products of the Commissions engineering work in the North-west these past two years has been an awakening of interest at the National Capital in the needs of said regions. The National Economic Council has, as a result, decided to so extend its sphere of activities as to include the remote North-west territory and has begun a definite program of co-operation and assumption of responsibility for several of the projects on which the Commission's engineers have done pioneer work. The Commission's work covers the whole of China, with particular emphasis on the Northwest. The Saratsi and Wei Pei Irrigation projects were completed during the year.

How the Fen River in Shansi Is Being Improved

The Shansi Water Commission recently published the Fen Ho Report for 1933, same being compiled from surveys and estimates made under the direction of O. J. Todd, chief engineer of the China International Famme Relief Commission. The object of the regulation of the waters of the Fen Ho (river) is to attain flood protection, and conservancy of winter flow as an aid to irrigation. A succinct outline of the ground-work is given in a preface by L. H. Wang, president of Shansi University. He relates how rainfall is deficient in Shansi province and that little had been done by way of irrigation except to a small degree along the Fen Ho. Mr. Todd in his exhaustive report, which is copiously illustrated and supplemented with numerous charts and diagrams, gives the technical details of the work being accomplished, such as the construction of dams and reservoirs, channels, dikes, etc.; but what is more important is the recital of the benefits to be derived. What was once a region of droughts, floods and famines is being converted into a land where rural life will become stable and secure. As Mr. Todd quite truly says, this is an achievement that cannot be measured in dollars.

"Imperialism in Reverse"

Editor, *The China Weekly Review*:—

In your issue of April 7, C. Y. W. Meng has an article on "Where Imperialism Penetrates through the Church" A careful investigation would probably reveal more points of penetration. There is another side to the case however. At Kaying the Athens of South China, some ten years ago the Mayor in command of a body of soldiers went to the Mission's Academy buildings, took complete possession of them, without any suggestion of process and holds them still. I suppose this is merely Imperialism "in reverse." A. H. Page, Mission Secretary at Swatow, can give the history of the case in detail, and his statements can be verified by records in the American Consulate. Mr. Meng, let us have both sides of the case.

Swatow, April 23, 1934 A. F. G.

CUSTOMS NOTIFICATION NO. 1357

The public is hereby notified that in accordance with Government instructions passengers from abroad are permitted to bring into China in their baggage free of duty not more than 25 cigars, 200 cigarettes and ½ pound of tobacco.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 1st May, 1934.

When The Strain Begins To Tell.

Times of depression such as exist at present often mean long trying days, with business worries exacting continuous toll on the mental and physical strength. For a while you may withstand this strain, but unless adequate measures are taken to maintain the physical powers at a high state of efficiency there is bound to come a day when breaking point is reached.

Nervous exhaustion is a distressing as well as dangerous condition, among its symptoms being inability to concentrate, failing memory, insomnia, headaches, neuralgia, enfeebled vitality and spirit, melancholia, nervous dyspepsia, loss of appetite, weight and strength. So low may the general enfeeblement become as to make work impossible.

The only practical means for avoiding nervous breakdown is the same as that which also effects a cure, the use of a reliable blood and nerve tonic. Such a tonic is Dr. Williams' Pink Pills, for more than fifty years famed all over the world for its power quickly to create new, rich, red blood. By increasing the haemoglobin content in the blood, that property which distributes oxygen from the lungs and nutriment from the digestive organs, it helps to build up the body and clear the system of poisons.

The reputation of these renowned pills is world-wide on account of their proved efficacy in all cases where a tonic is required, so if you are in danger of nervous exhaustion, or any of its attendant evils, take a course of Dr. Williams' Pink Pills, they will restore you to vigorous health as they have countless others who found their health failing, Chemists everywhere sell Dr. Williams' Pink Pills.

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The Development of Mining Industry in China

BY HUANG CHIN-TAO (黃金濤)

(Concluded from last week)

3. *Shantung*—The more important ones are Tsuchuan (淄川), Poshan (博山), Changchiu (章邱), Laiwu (萊蕪)' Tsochang (棗莊), Yihsien etc. (嶧縣), amounting to 1,600,000,000 tons.
4. *Hopei*—The more important coal fields are Luan Hsien (灤縣), Chinghsing (井陘), Lincheng (臨城), Wanping (宛平), Fangshan (房山) Tzue Hsien (磁縣) and Linyu (臨榆). The total is more than 3,000,000,000 tons.
5. *Honan*—The coal districts are Wu-an (武安), Anyang (安陽), Siuwu (修武), Tsiyuan (濟源), Yu Hsien (禹縣), Sin-an (新安), Shen Hsien (陝縣), Tangying (湯陰) amounting to 6,600,000,000 tons.
6. *Szechuen*—The coal districts are Kiangpei (江北), Huchuan (合川), Kienwei (犍爲), Hanyuan (漢源), Weiyuan (威遠), Peng Hsien (彭縣), Pahsien (巴縣), having a total of 9,800,000,000 tons.
7. *Hunan*—Sianghsiang (湘鄉), Ningsiang (寧鄉), Yuanhsing (永興), Laiyang (來陽) total 4,000,000,000 tons.
8. *Liaoning*—Fushun (撫順), Penchi (本溪), Kinsi (錦西), Heishan (黑山), Fuhsien (復縣), Si-an (西安) and Liaoyang (遼陽) the total amount is 1,800,000,000 tons.
9. *Jehol*—Chaoyang (朝陽) and Fusin (阜新) 600,000,000 tons.
10. *Kirin*—Muling (穆陵), Omu (額穆), Yenki (延吉) over 100,000,000 tons.
11. *Kiangsi*—Pingshiang (萍鄉), Poyang (鄱陽), Loping (樂平), Ki-an (吉安) 900,000,000 tons.

Sulphur

Sulphur is produced in practically every province. The leading provinces are Hunan, Shansi, Shantung, Honan, Liaoning and Szechuen.

Kaolin

1. *Kiangsi*—Fuliang (浮梁), Singtze (星子), Loping (樂平), Yukeng (餘干), Yukiang (餘江), Kweichi (貴溪), Linchuan (臨川), Pinghsing (萍鄉), Kiukiang (九江), Hengfeng (橫峯) and Poyang (鄱陽),
2. *Anhui*—Chimen (祁門).
3. *Kiangsu*—Yihsing (宜興).
4. *Hopei*—Tsu Hsien (磁縣), Fengyun (豐潤), Chinghsing (井陘).
5. *Shantung*—Tsuchuan (淄川), Poshan (博山), Linyi (臨沂).
6. *Liaoning*—Penchi (本溪), Fu Hsien (復縣), Liaoyang (遼陽), Yenti (烟台).
7. *Fukien*—Tehua (德化), Ningte (寧德).
8. *Kuangtung*—Chao-an (潮安), Nanhai (南海).
9. *Hunan*—Liling (禮陵).
10. *Honan*—Yu Hsien (禹縣).
11. *Shansi*—Pingting (平定) and Tatung (大同).

Fluorspar

Fluorspar is distributed in Sinchang (新昌), Chen Hsien (縉縣), Chuki (諸暨), Yiwu (義烏), Kinhua (金華), Linan (臨安), Wuyi (武義), Ninghai (寧海), Siangshan (象山) and Wuhsing (吳興) of Chekiang. It is also found in Haicheng (海城), Kaiping (蓋平), and Fusien (復縣) of Liaoning (遼寧) and Kaochow (膠州) of Shantung.

Talc and Soapstone

Both talc and soapstone are found in Liaoning, Hopei and Fukien.

Asbestos

Asbestos is plentiful in Szechuen, Sikiang, Liaoning, Hopei, Jehol, Shansi, Shensi, Hupei and Hunan.

Graphite

Graphite abounds in Suiyuan, Charhar, Kiangsu. Shansi, Honan, Hopei, Kiangsi, Hunan, Szechuen and Fukien.

Petroleum and Natural Gas

Shensi East from Yenchuan (延川), Yenchang (延長), Yichuan (宜川), to Ansai (安塞), Futzes (膚施), Kanchuan (甘泉), Lu Hsien (鄜縣) in the west.
Szechuen Fushun (富順), Penchi (蓬溪), Jenshou (仁壽), Kienwei (犍爲), Pa Hsien (巴縣) Tsuchung (資中).
Liaoning Anshan (鞍山), Fushun (撫順), Penchi (本溪).
Kansu Yumen (玉門), Chilinshan (祁連山).
Sinkiang North of Talimu River (塔里木河).

Rock-Salt and Potassium-Salt

Rock salt and potassium salts are found in Szechuen, Yunnan, Kansu and Mongolia.

Gypsum

Gypsum is distributed principally in Yingchen (應城) of Hupei and Siangtan (湘潭) of Hunan. Other production districts are Pinglu (平陸) of Shansi Chin Hsien (欽縣) of Kuantung, Siao Hsien (蕭縣) of Kiangsu, and Kweichi (貴池) of Anhui.

Natural Soda

Natural soda is produced in Inner Mongolia and Szechuen.

Phosphatic Rocks

Phosphatic rocks are common in Kuangtung and Kiangsu.

Iodine

Iodine was discovered in mother liquor from brine in Szechuen last year.

Mining Concessions Already Granted

Up to the end of the year 1933, the mining concessions that had so far been granted through the Department of Mines of the Ministry of Industries, amount to not less than 1382 cases with the total area of 13,513,182.26 Kung Mao (One Kung Mao=100m²). The following is a classification of these concessions made in accordance with different kinds of ores:—

Metallic ores	*No of concessions granted*	*Total Area in Kung Moa (1 k.m.=100m²)*
Gold	46	457,713.44
Silver	7	23,059,35
Copper	5	10,584.70
Iron	55	439,030.85
Tin	43	113,847.99
Lead	32	131,612.92
Antimony	184	191,033.80
Zinc	7	32,872.47
Manganese	20	61,877.13
Tungsten	7	31,671.00
Molybdenum	3	5,243.74
	409	1,498,547.39
Non-Metallic Ores		
Coal	843	11,685,059.48
Rock salt	1	17,014.00
Gypsum	4	21,312.84
Barite	12	50,906.03
Arsenic	15	16,811.40
Sulphur	36	33,872.08
Fireclay	5	14,320.24
Talc	2	43,079.80
Asbestos	7	54,899.59
Kaolin	16	25,455.63
Mica	2	1,830.54
Flourspar	22	12,621.98
Rock Crystal	1	14,778.31
Graphite	6	21,732.92
Marble	1	940,03
	973	12,014,634.87

Besides, the Ministry of Industries is in possession of the mining rights of some of the important concessions for state-operation. These may be enumerated as follows:—

6	Iron ore concessions	in Anhui
2	,, ,, ,,	in Kiangsu
1	,, ,, ,,	in Hupei
1	,, ,, ,,	in Szechuen
6	Tungsten ore ,,	in Kiangsi
5	Coal ,,	in Hopei
1	,, ,,	in Kiangsi
3	Petroleum ,,	in Shensi
2	,, ,,	in Szechuen

At present, there are already quite many Sino-foreign joint enterprises in China, such as the Kailan Mining Administration, the Pekin Syndicate, the Sino-British Mentaukou Coal Mining Co., the Chinhsing Coal Mines (a Sino-German enterprise) and the Luta Coal Mining Co. (a Sino-Japanese concern).

The latest one which will soon be established is the Iron and Steel Works with a capital of $50,000,000 and a daily production of 250 tons of iron and steel. Another enterprise of Soda and Acid Factory with a capital of $15,000,000 is also under negotia ion. Steps are also being taken to improve or reorganize the existing collieries throughout the country; for, due to inefficient management, most Chinese collieries have been either reducing the output or suspending operations. With the various factors of coal production in China being effectively adjusted, she will soon be supplying herself with this important commodity.

Foreign Capital Invited

From the above statistics, it is plain that China is not poo in mineral resources at all; on the contrary, she is potentially rich country. What is necessary for her people is to make use of the natural resources which are almost entirely still hidden under the ground. In her program of industrial development, China has repeatedly made it clear to the world that she welcomes technical ae well as financial assistance from foreign powers.

The employment of foreign capital in the development of domestic industries is expressly provided in the teachings of the late Dr. Sun Yat-sen; and the National Government is now following the policy of securing enough foreign investment for the realization of the Four-Year Plan. The only condition is that foreign interests should conform to Chinese laws; or in the case of mining industries, the undertakings should be strictly in accordance with the Mining Law, which is framed up with the essentials of those of various countries. It is sincerely hoped that the above information will arouse sufficient interest of our foreign friends to induce hem to put in their investments of capital into Chinese industries.

Reactions to Japan's "Hands-off-China" Statement

Sir John Simon, British Foreign Secretary, made a statement in the House of Commons April 30 on the situation arising out of Japan's "Hands-off China" declaration made in Tokyo on April 17. He pointed out that under Arts. I and VII of the Nine Power Pact Japan had the right to call the attention of the other signatories to any action in China inimical to her security. This right provided Japan with safeguards. The British Government therefore assumed that the Japanese statement was not intended to infringe upon the common rights of the other Powers in China or upon Japan's own treaty obligations. Replying to questions, Sir John Simon said that the statement made by Mr. Hirota was reasonably clear and the British Government was content to leave the matter where it was.

Japan's "Hands off China" statement was the subject of comment by the London *Observer* April 29. The Tokyo announcement, it said, is friendly and in correct form, but lacking in reassuring substance. In effect, Japan now claimed exclusive influence over 400,000,000 Chinese people despite seven other Powers who signed the Nine-Power Treaty.

The opinion in London is that the Japanese claim, to act alone and on her own responsibility to keep peace and order in East Asia, is inconsistent with the provisions of the treaty.

As far as loans and armaments are concerned, it is recognized in London that Japan has as much right to be consulted as the other seven non-Chinese signatories before any controversial step is taken, but the British Government wholly rejects Japan's claim of "peculiar position."

The Chinese Foreign Office was reported April 2 to be planning to propose a conference of the countries signatory to the Nine-Power Treaty as a result of the Japanese pronouncement.

⁂

China Will Continue Technical Cooperation with League

A spokesman of the Ministry of Foreign Affairs stated in Nanking April 26 that the National Government will continue to take advantage of the technical co-operation of the League, regardless of Japanese objections.

Dr. Rajchman May, Or May Not, Return To China

When Dr. L. Rajchman arrived in New York, April 28, he refused to commit himself as to whether or not he would be returning to China, in view of Japanese statements that he had been engaging in politics. He said he would act as Geneva directed. Officials of the League of Nations at Geneva refused to confirm or deny April 26 the report that Dr. L. Rajchman would return to China after the expiration of his term of office as liaison officer between the League and the Chinese Government this July.

A complete denial that the recent visits to China of European economic experts could be regarded as having any anti-Japanese significance was given to a representative of the London *Morning Post* April 25 by Sir Arthur Salter, who himself visited China to serve as financial adviser to the National Economic Council. The distinguished economist declared that neither he nor his French colleague, M. Monnet, had, so far as he was aware, made any proposal intended to exclude or prejudice the equal association of Japan in any international cooperation in China.

The Hearst newspapers April 25 report that, according to information from foreign diplomatic circles, France and other European powers intend to place at the disposal of China a loan in order to reinforce her position in her struggle against Japan. In an interview given to a representative of the Hearst newspapers, the Japanese Ambassador to the United States, Mr. Saito, strongly protested against these plans.

The Japanese basic policy with regard to joint international investment in China is said to have been explained to Mr. Monnet representative of French capital in a series of talks since Aprli 21 by Japanese Consul-General Suma at Shanghai. Mr. Monnet, after discussing the Canton-Hankow Railway and other questions with the Jardine, Matheson and Company representative at Hongkong, recently visited Shanghai and exchanged views in various quarters on the problems of joint internationl investment in China.

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October 29, 1927 Vol. XLII No. 9

May 5, 1928 Vol. XLIV No. 9

Mail with statement to

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160 Avenue Edward VII

Shanghai

Full Text of U. S. Repudiation of Tokyo's "Monroe Doctrine"

According to a *Reuter* report from Washington, dated May 1 and published in the Shanghai newspapers on the following day, the official statement of America's position with respect to Japan's "Hands Off" dectrine was made public simultaneously in Washington and Tokyo. The American Note was handed to Koki Hirota, Japanese Foreign Minister by the American Ambassador Joseph G. Grew. The text of the American Note as released by Secretary of State Cordell Hull was as follows:

"The ambassador to Japan, under instructions from the State Department, called on the Japanese minister for foreign affairs on April 29, and delivered a statement, the substance of which is as follows:

"Recent indications, of the attitude on the part of the Japanese government regarding the rights and interests of Japan and other countries, in China and in connection with China, come from sources so authoritative as to preclude their being ignored, and make it necessary for the American government, adhering to the tradition of frankness that has prevailed in relations between it and the government of Japan, to reaffirm the position of the United States in regard to the questions of rights and interests involved.

"The relations of the United States with China are governed as are our relations with Japan and other countries, by the generally accepted principle of international law, and the provisions of treaties to which the United States is a party.

"The United States has, with regard to China, certain rights and oligations. In addition, she is associated with China, Japan, or with both together, and with certain other countries, in mutilateral treaties relating to rights and obligations in the Far East, and in one great mutilateral treaty to which practically all the countries in the world are parties.

"They are lawfully modifiable or terminable only by the processes prescribed and recognized or agreed upon by the parties to them.

"In the international associations and relationships of the United States, the American government seeks to be duly considerate of the rights, obligations and legitimate interests of other countries, and expects, on the part of other governments, due consideration of the rights, obligations and legitimate interests of the United States.

"In the opinion of the American people and the American government, no nation can, without the assent of other nations concerned, rightfully endeavor to make conclusive its will in situations in which are involved the rights, obligations and legitimate interests of other sovereign states.

"The American government has dedicated the United States to the policy of a good neighbor and to the practical application of that policy, and will continue on its own part, and in association with other governments, to devote its best efforts to that policy."

China Demands Clarification of Simon's "Special Rights" Statement

Quo Tai-chi, Chinese Minister to Great Britain, according to a *Reuter* dispatch from London on May 1 requested Sir John Simon, British Foreign Minister to explain the phrase "Japan has special rights, recognized by other Powers and not shared by them," which was used in connection with Simon's statement in the House of Commons pertaining to the British protest at Japan's "hands-off" declaration.

The New York *Herald-Tribune*, in the course of an editorial dealing with the British Foreign Minister's statement, also expressed regret that Sir John Simon had referred to Japan's "special rights." The paper said that the United States was not among those which recognized Japan's "special rights" and recalled that in 1923 C. E. Hughes, then secretary of state, and Mr. Hanihara, the Japanese ambassador, exchanged notes annulling the Lansing-Ishii Agreement where such rights were "unfortunately mentioned." The *Herald-Tribune* expressed the fear that Japan will have to be convinced that the United States is "the only country which does not look complacently on the implementation of her deviously launched new policy."

Rent Reduction Association Formed

The various trade unions in Shanghai have formed a Rent Reduction Association to demand a reduction in house rent. The Association was formally inaugurated April 28, when a delegation was appointed to see Mayor Wu Teh-chen to place their grievances before him.

Great Increase of U.S. Trade with China and Japan During February

The following statistics of the United States trade during February with China and Japan were published in Washington, April 11:

	China	
	Feb. 1934	Feb. 1933
Exports	U.S. $6,141,661	3,156,779
Imports	$3,758,858	2,191,608
	Japan	
	Feb. 1934	Feb. 1933
Exports	$14,925,893	7,298,632
Imports	9,113,830	5,680,459

Shanghai Exports to U. S. A. Show Large Growth

The value of Shanghai exports to the United States during the first three months of 1934 was almost double that of the corresponding period of the preceding year, according to returns released by the American Consulate-General here.

Exports during the first quarter of this year from Shanghai to the United States amounted to U.S.$3,688,637 as compared with U.$.$1,880,854 for the corresponding period of last year.

The value of exports in inedible animals and animal products increased from U.S. $1,068,868 for the first quarter of 1933 to U.S. $2,343,807. Textiles rose to U.S. $1,136,354 as compared with U.S. $583,594 for the corresponding period of 1933.

False Chinese Banknotes Seized at Dairen

A huge quantity of counterfeit notes of the Bank of Communications was unearthed in Dairen April 17 in 150 cases labelled "tobacco," which had been stored in a warehouse ever since their arrival from Shanghai by the ss. *Tsingtao Maru* on March 14. The cases, which contained false bottoms, were consigned to a Sino-Japanese company in Dairen. Several Chinese, previously arrested for possessing similar forgeries, are being questioned in connection with the incident by the Dairen police.

America's Largest Passenger Plane Exhibited at Bridgeport, Connecticut

America's largest and longest-range passenger plane was exhibited last month on the floor of the Sikorsky Aviation Corporation at Bridgeport, Connecticut. A four-engined flying boat, capable of flying 2,500 miles non-stop—with mail load and crew, the S-42 is the first of six trans-ocean planes to be completed for Pan-American Airways, based on specifications laid down by Colonel Charles A. Lindbergh, technical adviser to the line. Two sister ships are being built by the Sikorsky firm, and three still larger ones are under construction at the Glenn Martin plant in Baltimore.

The Imperial Airways held trial flights last month of the largest land plane in the world. The machine has a top-speed of 135 miles per hour and a cruising speed of 108 m.p.h., with a range of 700 miles. It accommodates 39 passengers with the greatest of luxury. Its loaded weight is 14½ tons, and it has a pay-load of 8,000 pounds.

The engine of a military plane dropped out when the machine was over the Heijo aerodrome, in Korea, April 24. At the same time, one of the wings collapsed. The pilot managed to make a successful parachute jump.

The Italian aviator, Renato Donati, broke the world's airplane altitude record April 11 by flying in a Caproni single-seater, to a height of 14,500 meters. The previous record of 13,661 meters was held by the French ace, Lemoine.

Filipino Congress Unanimously Accepts Independence Measure

The House of Representatives and the Senate of the Philippine Islands, in joint session at Manila, unanimously voted to accept the Tydings-McDuffie independence bill, May 1, the 36th anniversary of Admiral Dewey's victory over the Spanish fleet in Manila Bay. Senor Manuel Quezon declared that the independence measure is the crowning glory of the ideas which have motivated the American occupation. Senor Quezon, by general consent, is slated to be the first Filipino president.

One of the results of the change in the Filipino situation will be the almost complete cessation of the immigration of Filipnos to the United States, which during the past several years has been a considerable source of income to the trans-Pacific passenger lines and particularly the Dollar Steamship Line. Starting from May 1, the Filipinos will be held down to a quota of 50 year per.

CUSTOMS NOTIFICATION NO. 1358

1.—In accordance with instructions received from the Government notice is hereby given that, from the 16th June, 1934, Customs Control Stations will be established at Chinwangtao, Miao Tao Island, Weihaiwei and Shihtao.

On and after that date junks engaged in foreign trade (including those trading under domestic status but carrying goods liable to import duty) will be required to observe the following regulations for their control:

(1) *Junks coming from places in the so-called "Manchukuo," the Leased Territory, Dairen or abroad* for all destinations on the coast of China between Chinwangtao and Lungkow inclusive, to report either at Chinwangtao or at the Miaotao Island Station as is most convenient, but such junks are not permitted to pass west of a line drawn from Chinwangtao through the Miao Tao Island station to the coast of Shantung without having reported at one of the two stations.

(2) *Junks coming from places in the so-called "Manchukuo" off the Gulf of Pohai or from places on the west coast of the Leaseed Territory North of the Liao Ti Shan Promontory* for destinations on the China coast other than those provided for in (1) above to report at the Miaotao Island station and, if proceeding to destinations south of the South East Promontory, at the Shihtao station also.

(3) *Junks coming from places on the south east coast of the Leased Territory between the Liao Ti Shan Promontory and Dairen inclusive.*

(a) If for places on the north east coast of Shantung east of Lungkow and west of Weihaiwei, to report at the Miaotao Island Station.

(b) If for Weihaiwei or places on the coast of Shantung between Weihaiwei and Shihtao, to report at the Weihaiwei station.

(c) If for Shihtao or any destination in China south of Shihtao, to report at the Shihtao station.

(4) *Junks coming from places on the east coast of the Leased Territory east of Dairen or from places in the so-called "Manchukuo" off the Gulf of Yalu,*

(a) If for places on the coast of Shantung between Lungkow and Shihtao, to report either at the Miaotao Island station or at the Weihaiwei station as is most convenient.

(b) If for Shihtao or any destination in China south of Shihtao, to report at the Shihtao station.

(5) *Junks coming from places in Korea north of a line drawn due east from Shihtao* for destinations on the coast of Shantung between Lungkow and Shihtao to report either at the Weihaiwei station or at the Shihtao station as is most convenient.

(6) *Junks coming from places in Korea or from any other places abroad the routes of which cross a line drawn due east from Shihtao* for destinations in China north of Shihtao to report at the Shihtao station and, if such destinations are on the coast between Lungkow and Chinwangtao inclusive, at the Miaotao island station also.

Report at the control stations shall be made irrespective of whether such junks have previously called at a place on the China coast at which a Customs station is established or not.

2.—Junks when reporting at any of the above mentioned Control Stations will be required:

(1) To hand in their papers, *i.e.* Pass-book, Junk Licence, Navigation Certificate, for vertification;

(2) To hand in a manifest in duplicate, showing the particulars required and the cargo carried, which must be entered thereon in detail as follows:

1. Name of Agent,
2. Branded No. of junk,
3. Registered No.
4. Name and Description of junk,
5. Name of master,
6. Name of owner,
7. Tonnage,
8. Arrived from,
9. Date of departure,
10. Date of arrival,
11. Port of destination,
12. Marks,
13. Number of packages,
14. Description of packages,
15. Contents,
16. Weight,
17. Value,
18. Consignees,
19. Remarks.

(3) To submit to the tallying out of the cargo carried if the officer in charge of the Control Station deems it to be necessary.

(4) To carry and deliver intact to the M. C. Station at declared destination where cargo will be discharged and duty paid a sealed cover which will be handed to the Junk-master by the Control Station containing all the papers of the junk (except the pass-book) duly verified. The Junk Pass-book duly endorsed will be carried separately to facilitate inspection by Customs Preventive Steamers etc.

3.—Junks which are found by either M. C. Stations or Customs Preventive Steamers and/or Launches to have passed the control station or stations for their routes, as above indicated, without reporting will be *ipso facto* convicted of smuggling and punished accordingly.

4.—Similarly junks which report at a Control Station for a declared destination and are subsequently discovered to have clandestinely landed their cargo at a place other than the declared destination or in any other manner disobeyed or infringed any of the Regulations controlling sea-going Chinese Junks printed in the Pass-book will be punished according to those Regulations and the gravity of the offence.

5.—The clauses of this Notification are provisional and subject to alteration as and when need arises.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 2nd May, 1934.

Real Estate Review by Realty Investment Co.

For the third successive week the West-Central area of the Settlement continues to be the most active section. The largest permit for new building is for 17 foreign shops and 18 foreign dwellings at the corner of Burkill and Chengtu Roads. Another group of 9 Chinese dwellings in the western section will be built on the corner of Seymour and Wuting Roads.

The balance of the new building is in the Eastern district. Only one can be classed as industrial. It is for 2 temporary storage sheds on the corner of Paoting and Wayside Roads. Other new building in the Eastern district is on Muirhead Road at Seward Road, and is for a foreign residence.

Another group of 4 Chinese shops and 2 Chinese dwellings will be built on the corner of Paoting and Kwenming Road, and 4 more Chinese dwellings off Yenshan Road, between Chemulpo and Tsitsihar Roads. And the largest in the group will be for 5 Chinese shops and 8 Chinese dwellings on Yochow Road, just East of Chusan Road.

In Pootung a large weaving and printing mill is being built just East of the Shanghai Dock and Engineering works. This mill will cover a large tract of land and the total investment will run into many million dollars. The work is well under way at the present time, and should be a great asset to the other side of the river, which up to the present time has been very slow to develop.

"TEETHING TIME"

Need Not Mean Sleepless Nights For Baby Or For You.

How often do parents wish they could do something for the poor little mite whose pitiful crying keeps them awake throughout the night when teething troubles begin.

If they did but know, there is a proven remedy which brings relief to the child and consequent peace to parents at this trying period,

BABY'S OWN TABLETS.

By cleansing the system and settling the stomach, these pleasant tasting tablets remove the cause of much of the teething trouble experienced by some babies which results from acidity created by a disordered condition of the stomach.

Baby's Own Tablets are perfectly harmless. Read what a prominent analyst says about them:—"The Tablets contain absolutely no narcotics or opiates. They can be given with perfect safety to the youngest infant. They are a safe and efficient medicine for the troubles they are indicated to relieve and cure."

The mild laxative action of the Tablets, neither griping nor purging, which gently stimulates the natural functions of the little organs, makes Baby's Own Tablets the ideal medicine for infants and young children up to about seven years of age.

Do not forget, if your baby is troubled with his teething, to try Baby's Own Tablets. Equally good for all childish ailments such as colds, croup, feverishness, indigestion, wind, diarrhoea, headache, constipation, and to expel worms, Baby's Own Tablets are invaluable in any home where there are children. Obtainable from chemists everywhere.

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The National City Bank of New York, Rates of Exchange

Shanghai, May 2, 1934

Demand selling rate on America:	U.S.$100=Sh. $3.118
Demand buying rate on America:	U.S.$100=Sh. $3.088
Demand selling rate on London:	£1 0.0=Sh. $16.13
Demand rate buying on London:	£1.0.0=Sh. $15.87

Latest New York Stock Exchange Quotations

Market—Steady Business Done 1,340,000 Shares

May 2, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Apr. 30	Tue. May 1
13⅜	3	—	Adams Express	9⅛	9⅜
33	11¼	0.60	Alaska Juneau	19⅝	19½
160	70¾	6.00	Allied Chemical & Dye	144	144
107⅛	19½	4.00	American Can	100½	100
19⅝	5⅞	—	American & Foreign Power	9	9⅛
27¼	3½	—	American Metal Company	22⅝	22½
53⅞	10⅝	—	American Smelting	39⅞	39⅝
134⅝	86½	9.00	American Tel. & Tel.	118⅝	117¾
94⅝	50⅜	5.00	American Tobacco "B"	71¼	70½
43¼	10⅞	1.00	American Waterworks	20¼	20
22⅞	5	—	Anaconda Copper	15½	15¼
18⅝	5⅞	—	Atlas Corporation	12¾	12⅝
84¼	31	2.00	Auburn Automobiles	40¼	41
37⅞	8¼	—	Baltimore & Ohio	27⅛	27¼
49½	10⅝	—	Bethlehem Steel	39	39½
37⅞	18	1.60	Borden Company	23⅝	24
28½	5½	0.25	Borg Warner	23¾	23⅝
20⅞	7¼	—	Canadian Pacific Railway	15⅞	16⅜
103½	30½	—	Case, J. I.	66¾	66
47⅞	16⅝	1.40	Chase National Bank	29½	29½
52½	14⅞	2.50	Chesapeake Corporation	45½	46¼
59	7⅜	1.00	Chrysler Corporation	46⅛	46
28⅛	9	0.50	Columbia Gas & Electric	14½	14¾
6⅛	1⅜	—	Commonwealth & Southern	2⅝	2¼
64⅛	34⅜	3.00	Consolidated Gas of N. Y.	35⅛	35⅛
22½	4⅞	—	Continental Oil	20⅜	20¾
9	2⅝	—	Coty Inc.	5⅞	5⅝
5⅛	1½	—	Curtiss Wright Company	3⅞	3⅝
102¾	32¼	*2.00	Du Pont de Nemours	92	93¾
95¾	46	3.00	Eastman Kodak	93	92
41⅝	10	—	Electric Bond & Share	15⅝	16¼
15⅜	3⅛	—	Electric Power & Light	6½	6⅜
19	12	—	Fox Film "A"	15⅞	16
10⅜	2⅞	—	General Aviation	Unq.	5
30⅛	10½	0.40	General Electric	21½	21½
39⅞	21	1.50	General Foods	34⅞	34⅞
41½	10	*1.00	General Motors	36½	36⅛
49⅛	13¼	1.00	General Railway Signal	40¼	Unq.
27⅜	12	1.20	Gold Dust	20⅜	21
47½	9¼	—	Goodyear Tire & Rubber	34½	35¼
40	6⅛	—	International Cement	28	26⅞
46⅛	13⅝	0.60	International Harvester	39	39¼
29	6⅜	—	International Nickel	28	28
21⅜	5⅛	—	International Tel. & Tel.	13½	13½
65½	21¼	—	Johns Manville	54½	55
26	7⅜	—	Kennecott	20⅜	20⅜
79⅜	37½	2.40	Lehman Corporation	71	70½
99⅜	40½	*4.00	Liggett & Myers "B"	93½	92¾
36½	8½	1.00	Loew's Inc.	31⅜	32⅜
25¼	10⅜	1.20	Lorillard P. (Com.)	17⅜	17⅜
35⅝	8⅜	—	Montgomery Ward	28¼	27½
64½	16⅞	1.00	National City Bank (bid price)	29½	29½
41⅝	5⅜	—	National Distiller	29	29⅛
58½	14	—	New York Central	30¼	30¼
36½	12¾	8%S	North American	17⅞	17⅝
96¾	31½	2.00	Owens Illinois Glass	84	84
31⅞	15	1.00	Pacific Gas & Electric	18½	18⅝
6⅞	1⅜	—	Packard Motors	4⅜	4⅜
42½	12¾	0.50	Pennsylvania Railroad	32⅜	32⅜
6⅝	1¼	—	Pennroad Corporation	3	3⅛
20	4⅜	—	Phillips Petroleum	18¼	17⅞
12¼	3	—	Radio Corporation	7⅜	8
54¼	26½	3.00	Reynolds Tobacco "B"	42½	43
50⅞	12⅛	—	Sears Roebuck	46⅜	47
19½	6	1.00	Socony-Vacuum Corporation	15⅝	15⅜
28	14¼	2.00	Southern California Edison	17½	17⅝
22½	5⅛	—	Standard Gas & Electric	12¾	11⅞
49¾	22⅜	1.00	Standard Oil Co. of N. J.	44⅝	44¼
60⅞	46	3.80	Sterling Products	59	58
9	1½	—	Studebaker	5⅞	5⅝
30¼	10⅜	1.00	Texas Corporation	26	26⅞
9⅜	2⅝	0.12	Transamerica	6⅜	6⅜
51⅞	19⅝	1.00	Union Carbide & Carbon	42⅛	42⅛
132¾	61¼	6.00	UnionPacific	Unq.	128½
46⅞	16½	—	United Aircraft & Trans.	22⅜	22⅜
14¼	4⅛	—	United Corporation	5⅞	5⅜
25	14	1.20	United Gas Improvement	16½	16⅜
25	2⅞	—	U. S. Rubber	21½	22⅜
67½	23⅝	—	U. S. Steel	46⅝	47½
51½	21½	*2.00	Universal Leaf Tobacco	46⅜	46¼
28⅝	7⅝	—	Vanadium	24⅛	24⅜
9⅛	1	—	Warner Bros. Pictures	6⅜	6⅝
58⅜	19⅜	—	Westinghouse E. & M.	37½	37⅝
54⅞	25½	2.40	Woolworth	50⅞	51¼
			PREFERRED STOCKs AND BONDS		
44⅞	7¼	—	American & Foreign Power 7% Pfd.	21⅛	22
58⅛	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	55	54¼
80	35	6.00	American Waterworks $6 preferred	Unq.	76
48	25	5.50	Cities Service Power & Light 5½s/52	46	47¾
66	25	6.00	Electric Bond & Share $6 preferred	52¾	51
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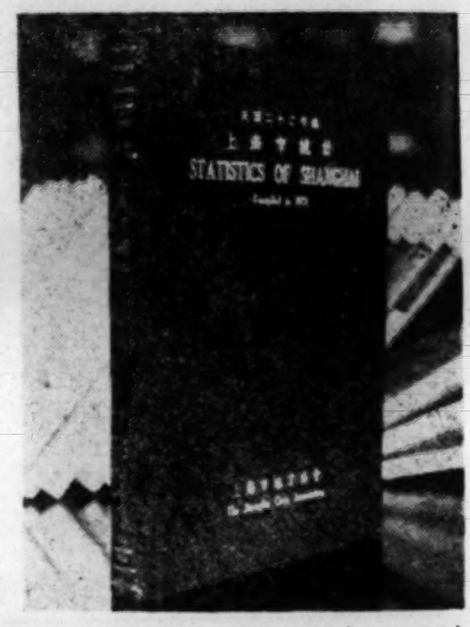

STATISTICS OF SHANGHAI

Compiled in 1933

published by

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